TriTech

BUILDING OUR BUSINESS TO GREATER HEIGHTS

TRITECH GROUP LIMITED
ANNUAL REPORT **2014**

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.

CONTENTS

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

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

As part of the Group's strategy to strengthen and diversify its income streams in the long term, Tritech is presently expanding its Water-related and Environmental Business and the Marble Resource Business.

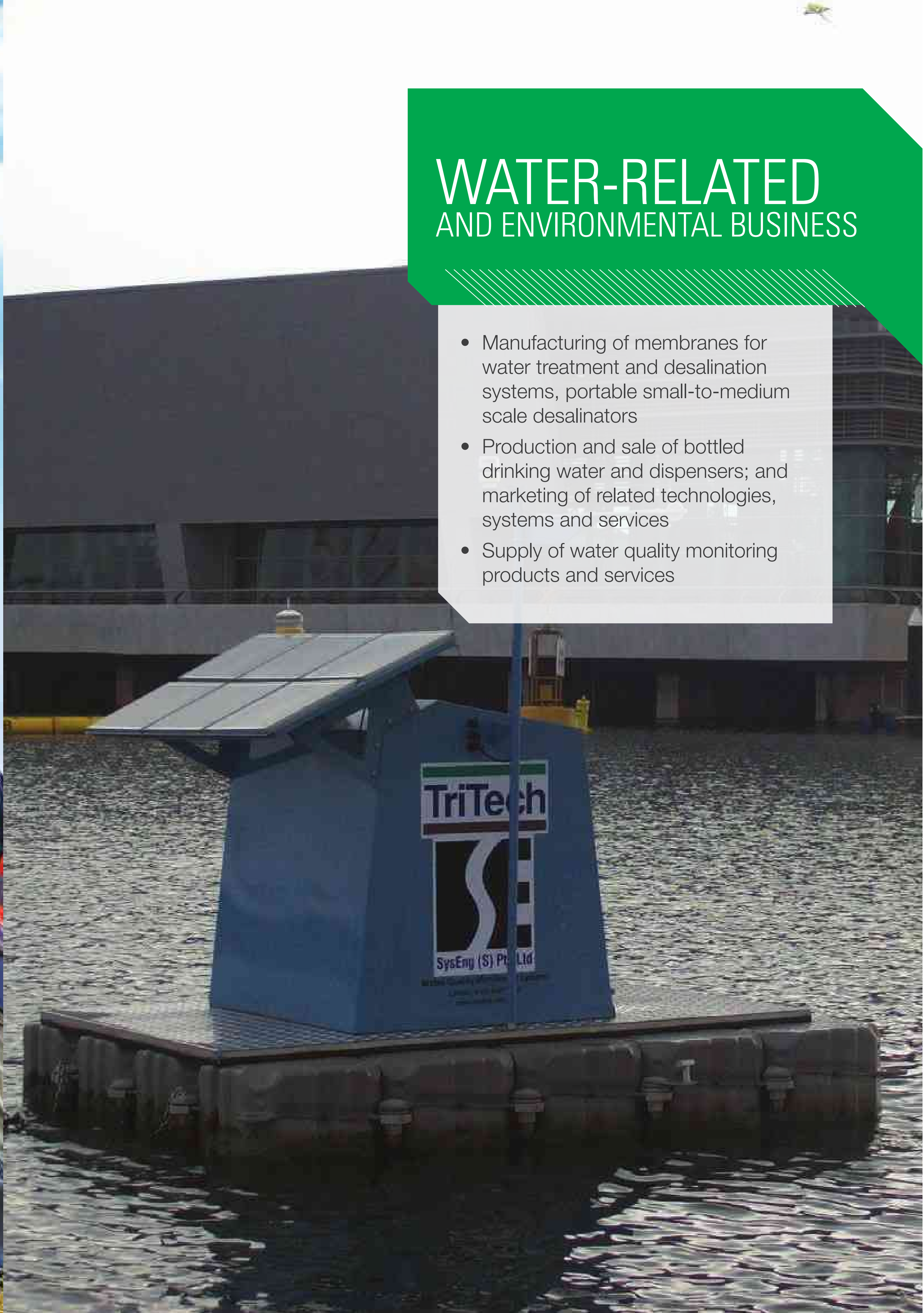
Tritech was listed on SGX Catalist in Singapore on 21 August 2008.

ENGINEERING
BUSINESS

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

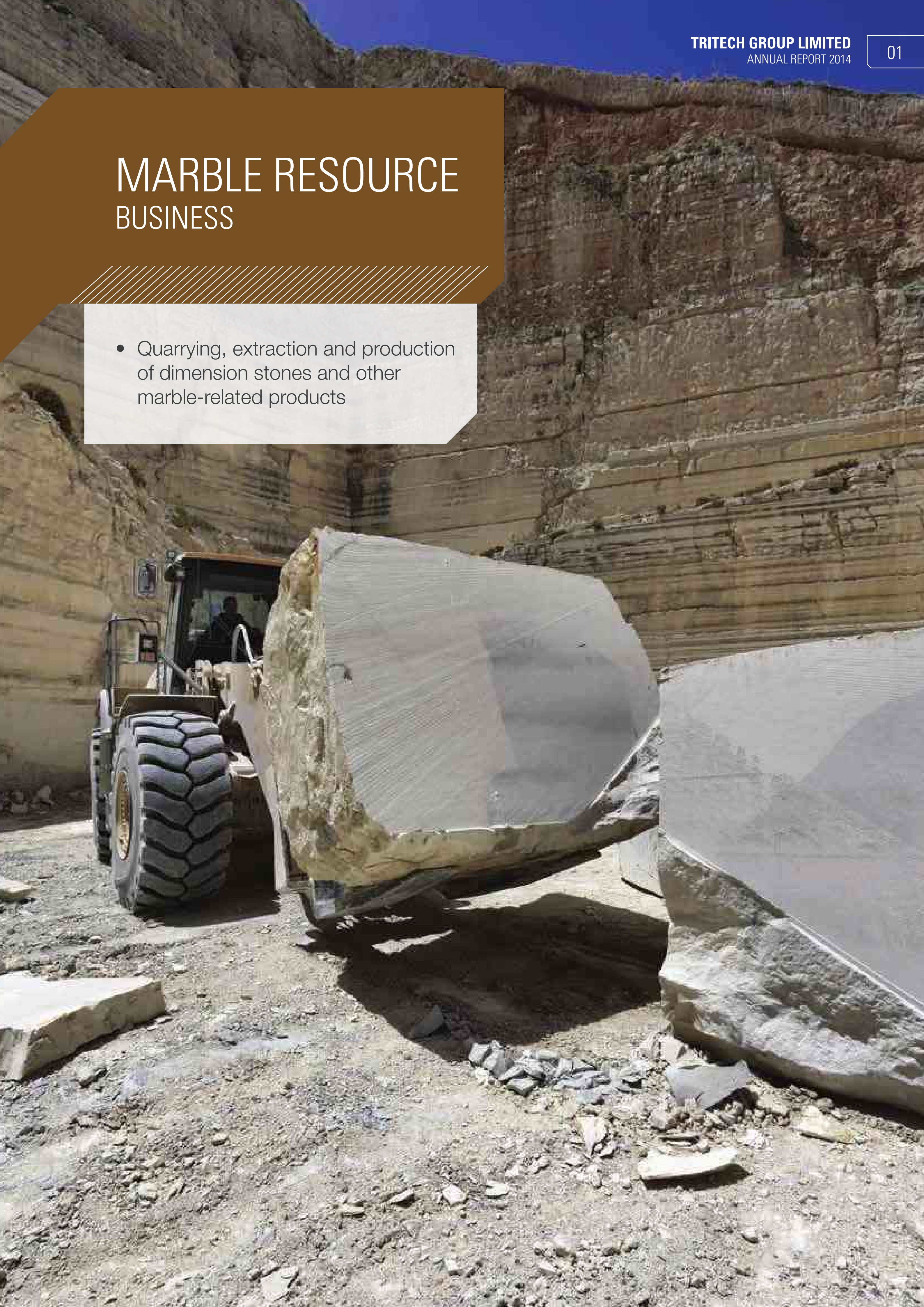
WATER-RELATED
AND ENVIRONMENTAL BUSINESS

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



MARBLE RESOURCE
BUSINESS

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



BUSINESS MODEL

TGL ENGINEERING GROUP

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 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

TRITECH WATER & ENVIRONMENT GROUP

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
- Manufacture and Supply Membranes
- 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

TERRATECH GROUP LIMITED

MARBLE RESOURCE BUSINESS

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

TRITECH GROUP STRUCTURE

TriTech
TRITECH GROUP LIMITED

- 100% TGL ENGINEERING GROUP PTE LTD (三泰工程集团有限公司)
  - 100% TRITECH ENGINEERING & TESTING (SINGAPORE) PTE LTD (三泰工程及测试(新加坡)有限公司)
  - 100% TRITECH CONSULTANTS PTE LTD (新加坡三泰国际工程咨询有限公司)
  - 100% PRESSCRETE ENGINEERING PTE LTD (蓓力工程有限公司)
  - 100% TRITECH GEOTECHNIC PTE LTD (新加坡三泰岩土工程有限公司)
  - 100% TRITECH INSTRUMENTS PTE LTD (新加坡三泰仪器有限公司)
  - 100% TERRA TRITECH ENGINEERING (M) SDN BHD (三泰工程(马来西亚)有限公司)
- 100% TRITECH WATER & ENVIRONMENT GROUP LIMITED (三泰水与环境集团有限公司)
  - 100% ANHUI CLEAN ENVIRONMENTAL BIOTECHNOLOGY CO., LTD (安徽省科林环境生物技术有限公司)
  - 100% TRITECH WATER TECHNOLOGIES PTE LTD (新加坡三泰水技术有限公司)
  - 100% SYSENG (S) PTE LTD (新加坡赛森有限公司)
  - 100% TRITECH (QINGDAO) MEMBRANE INDUSTRY CO., LTD (三泰(青岛)膜工业有限公司)
  - 100% BEIJING WISETEC TECHNOLOGIES CO., LTD (北京伟思德克科技有限责任公司)
- 100% TERRATECH GROUP LIMITED (泰石集团有限公司)
  - 100% TERRATECH RESOURCES PTE LTD (新加坡泰石矿业有限公司)
    - 100% CEP RESOURCES ENTITY SDN BHD (马来西亚 CEP 矿山资源有限公司)
    - 100% QINGDAO TERRATECH RESOURCES CO., LTD (青岛泰石矿业有限公司)
- DIVISION FOR REGIONAL BUSINESS & MARKETING DEVELOPMENT (“RBMD”) (区域业务及市场开发部)

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Tritech Group Limited's ("Tritech" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 March 2014 ("FY2014").

Over the last few years, Tritech has been actively pursuing a strategy to transform itself from a principally service-oriented group into a products-cum-services group that derives multiple income streams from diverse sectors and geographical markets. During the financial year under review, both the Water-related and Environmental Business and Marble Resource Business shifted into first gear of normal operations and we began to witness the fruition of our efforts. The Water-related and Environmental Business has more than doubled its sales while the Marble Resource Business made its maiden albeit modest, revenue contribution to the Group.

To further reinforce the foundation of the Group's unique business model, our management continued to invest time and energy on executing corporate and operational initiatives in FY2014. Thanks to their drive and perseverance, Tritech has been able to achieve a number of major milestones that are expected to position its three core businesses for growth in the coming years.

On the flip side, these achievements and the investments that we made to improve the Group's prospects were overshadowed by a weaker financial performance in FY2014. While Group revenue increased 9.3% to S$55.7 million, gross profit declined by 14.1% to S$13.2 million in FY2014 due mainly to an increase in direct costs for our Engineering Business. Although the Water-related and Environmental Business and Marble Resource Business showed encouraging progress, both businesses are still at the infancy stages of their growth path. As such, their respective revenues had yet to reach a meaningful scale to cover their fixed operating overhead expenses in FY2014.

In addition to higher overall operating expenses for our enlarged business activities, the Group also incurred higher finance costs, increased professional fees for the proposed restructuring and spin-off of the Marble Resource Business, and an increase in fair value loss (non-cash) in relation to convertible bonds issued by its subsidiary. Consequently, the Group recorded a larger loss after tax of S$7.6 million in FY2014 as compared to S$3.6 million in FY2013.

Engineering Business remains on a profitable track

The Engineering Business has been the Group's core business since Tritech's inception in 1999. While this business has seen continuous growth, the operating environment has become more challenging in recent years due to keener competition and increased pressure on profit margins as a result of rising direct costs in Singapore.

However, thanks to our proven track record and strong reputation in geotechnical and geological services, the Engineering Business continues to secure new contracts consistently. This raised our order book to a healthy S$123.91 million as at 30 June 2014, including several contracts with the Land Transport Authority ("LTA") for the Downtown Line Stage 3 project and the new Thomson Line. Besides the LTA, we also won contracts from major customers such as SP PowerAssets Limited, the Public Utilities Board and China Railway No. 5 Engineering Group Co., Ltd. (Singapore Branch).

Going forward, we intend to continue our strategy of focusing on specialised engineering projects to leverage on our advanced technical knowledge and capabilities. Such projects typically face less competition and are less labour-intensive which should help to relieve pressure on profit margins. Hence, the Group's management remains confident and optimistic of the long term performance of the Engineering Business.

Marble Resource Business to start contributing positively

The Group's Marble Resource Business became fully operational in FY2014 with the commencement of commercial production of high quality marble slabs at the first two hills of our marble quarry in Kelantan, Malaysia. In addition, our sales and marketing efforts for the marble and related products have already begun to pay off. In October 2013, we clinched our first significant sale contracts with four property developers in China. With a total value of RMB88.5 million (approximately S$17.95 million), these contracts will be delivered progressively commencing from the middle of year 2014.

We will increase our output of marble products when commercial production starts at the other two hills of the Group's marble quarry. As such, we will continue to build sales momentum of our marble products by targeting customers in China, Southeast Asia and the Middle East.

The Marble Resource Business operates under our subsidiary, Terratech Group Limited ("Terratech"). Given its capital intensive nature, the Group has been exploring plans to spin-off and seek a separate listing for Terratech through an initial public offer. After due consideration, we are seeking a listing for Terratech on the Catalist of the SGX-ST. We believe this exercise is in the best interests of shareholders as it would bring about a number of tangible benefits for both Terratech and the Group.

Besides raising Terratech's corporate profile to aid its long term growth, a separate listing would provide it with a platform to access the capital markets for future expansion of the Marble Resource Business. At the same time, the Company would also benefit as it would not need to utilise its internal resources and/or bank borrowings to finance the future development of the Marble Resource Business. Subject to finalisation of the terms of the proposed listing, the net proceeds raised from the proposed listing of Terratech are expected to be used to expand production capacity and processing facilities, as well as for working capital for the Marble Resource

Thanks to our management's drive and perseverance, Tritech has been able to achieve a number of major milestones that are expected to position our three core businesses for growth in the coming years

Business. Information on the proposed restructuring and proposed spin-off of the Marble Resource Business in connection with the proposed listing of Terratech can be found in our circular to shareholders dated 27 May 2014. On 11 June 2014, the proposed restructuring and proposed spin-off were duly approved by shareholders at the Company's extraordinary general meeting.

Water-related and Environmental Business poised to grow further

We are also excited about the prospects for the Group's Water-related and Environmental Business, particularly in China where there is significant growth potential in the water-related industry. In FY2014, revenue from this business more than doubled from the previous financial year, validating the commitment and investments made by our management to build this business over the last few years.

In China, our new production facility in Qingdao is now fully operational and we are actively marketing membrane and membrane-related products for water and waste water treatment. To complement our organic growth initiatives, the Group has taken steps to venture further into the water and waste water business in China via synergistic acquisition.

In October 2013, we completed the acquisition of the 100% interest in Anhui Clean Environment Biotechnology Co. Ltd. ("Anhui"), a water treatment company based in Hefei, Anhui Province. Anhui had successfully completed over 100 waste water treatment projects and was involved in environment engineering projects, and municipal water treatment and supply projects in China. As a testament of its capabilities, Anhui was presented the "Distinguished Design Enterprise Of Environmental Engineering For Year 2013 In China" award in December 2013.

Following our acquisition of Anhui, Anhui secured a RMB24.36 million (approximately S$4.9 million) contract in February 2014 for the design, construction, equipment supply and installation, and commissioning of a waste water treatment plant in Henan. With its proven track record and established customer base, we expect Anhui to enhance our design and consultancy capabilities in the environmental and waste water treatment fields and generate new revenue streams for the Group.

The Group is also unfolding plans to expand its presence in China's water-related industry. In April 2014, we signed a memorandum of understanding to acquire a 49% stake in Jining Zhongshan Public Utility Water Limited ("Jining Zhongshan") (the "Proposed Acquisition") which holds a special 30 years license to supply water to homes and industries in Jining city, Shandong Province.

The Proposed Acquisition will enable the Group to gain immediate access to the market for water treatment, waste water treatment, water reclamation and recycling in China, and benefit from a new source of steady recurring revenue.

Together with Anhui and our membrane production facility, our Water-related and Environmental Business will have the ability to offer a comprehensive range of water-related products and services across the industry supply chain. With this broad spectrum of capabilities, we believe Tritech will be in a stronger position to become a major player in the vast water treatment, waste water treatment and recycling market in China.

In connection with the Proposed Acquisition, Tritech also entered into a non-binding term sheet with an introducer and a group of proposed investors in relation to the grant of a convertible loan to the Group. The proceeds of approximately S$42 million from the convertible loan will be used to finance the Group's waste water treatment projects in China and/or the Proposed Acquisition.

Besides working to strengthen our three businesses, the Group also completed a share split and issue of bonus warrants in FY2014. We believe this will help to improve the market liquidity and affordability of Tritech's shares to small investors, and broaden Tritech's shareholder base.

Appreciation

In closing, I would like to thank my fellow directors for their invaluable counsel and contributions. I also wish to express my appreciation to the management and staff for their dedication and commitment. We would also like to welcome our new colleagues from Anhui to the Group. Last but not least, I wish to thank our customers, business partners and shareholders for their continuing support of Tritech.

Professor Yong Kwet Yew
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I am pleased to report that Tritech Group Limited is witnessing the gradual fruition of our concerted efforts to transform ourselves into a products-cum-services group with three solid business platforms for future growth.

Last year, our factory in Qingdao, China, finished the commissioning stage and started production of membranes for waste water and water treatment systems. In tandem with our plan to expand our Water-related and Environmental Business in China, Tritech completed the acquisition of the entire shareholdings of Anhui Clean Environment Biotechnology Co. Ltd. ("Anhui") in October 2013. With a strong track record and established clientele base, Anhui is a valuable gateway for Tritech to penetrate the vast water treatment, waste water treatment and recycling market in China.

On the heels of our acquisition of Anhui, Tritech signed a non-binding memorandum of understanding ("MOU") in April 2014 to acquire a 49% equity interests in Jining Zhongshan Public Utility Water Limited ("Jining Zhongshan"). Jining Zhongshan is responsible for the domestic and industrial water supply needs of Jining city, Shandong Province. We believe that this Proposed Acquisition, together with Anhui and our existing membrane production facility in Qingdao, will enable Tritech to join the ranks with other major players in China's water treatment industry.

Our Marble Resource Business in Kelantan, Malaysia, also moved into production phase last year. In October 2013, we clinched our first major contracts to sell marble products to four property developers in China. This achievement marked a very encouraging start for our Marble Resource Business and also underlined the Group's tenacity in ramping up sales and marketing to develop a customer base for our marble products.

We firmly believe in the growth potential of our Water-related and Environmental, and Marble Resource businesses. Both these businesses will provide alternative revenue streams to our core Engineering Business in Singapore which continues to face challenging operating conditions. Despite the headwinds, our management remains positive on the long-term performance of our Engineering Business.

Review of Business Segments

Engineering Business

The Group's Engineering Business comprises mainly Specialist Engineering Services, and Ground and Structural Engineering Services.

The Engineering Business registered a revenue of S$46.1 million in FY2014, a marginal decrease of 2.8% from S$47.4 million. While revenue remained largely unchanged, this business segment experienced downward pressure on gross profit margin due mainly to higher direct wages following the changes in government policy to tighten the supply of foreign workers. Nevertheless, our Engineering Business remained profitable in FY2014.

In spite of keen industry competition, Tritech continued to win new contracts from major customers and raised our order book to S$123.91 million as at 30 June 2014.

Our order book includes several ongoing contracts with the Land Transport Authority ("LTA") for engineering services in relation to the Downtown Line Stage 3 project. The duration of these contracts will stretch up to 2016. The Group is also providing instrumentation and monitoring services to SP PowerAssets Limited ("SPPA") for the construction of a cable tunnel under an existing contract which is expected to be completed in the first quarter of 2017.

Tritech is witnessing the gradual fruition of our concerted efforts to transform ourselves into a products-cum-services group with three solid business platforms for future growth

Between 29 November 2013 and 6 June 2014, Tritech won several new contracts totaling over S$35 million from the LTA, for the provision of instrumentation and monitoring services in relation to the construction of the Thomson Line ("TSL"). The TSL is the sixth mass rapid transit line in Singapore comprising 22 stations and 6 interchange stations with a 30 kilometers (km) of underground train line between Woodlands North and Gardens by the Bay stations. Some of the new contracts that we have secured from the LTA in relation to the TSL are:

- **S$7.799 million contract** – Comprising contracts T201, T207 and T208 in relation to a 2.5km tunnel covering Mandai Depot and Springleaf stations; commenced on 29 November 2013 and completion is expected to take place in May 2020.
- **S$8.136 million contract** – Comprising contracts T216 and T217 in relation to a 2.5km tunnel covering Stevens and Napier stations; commenced on 3 February 2014 and completion is expected to take place in December 2020.
- **S$6.298 million contract** – Comprising contracts T220 and T221 in relation to a 2.2km tunnel involving Great World and Havelock stations; commenced on 7 April 2014 and completion is expected to take place in December 2020.
- **S$9.955 million contract** – Comprising contracts T225 and T226 in relation to a 1.5km tunnel covering Shenton Way and Marina Bay stations; commenced on 21 April 2014 and completion is expected to take place in December 2020.
- **S$6.099 million contract** – Comprising contracts T218 and T219 in relation to a 0.9km tunnel from Orchard Boulevard to Orchard stations; commenced on 2 June 2014 and completion is expected to take place in December 2020.
- **S$7.014 million contract** – Comprising contract T2148 to provide IT data management services for a system to be implemented to capture instrumentation and tunneling information extracted from geotechnical instrumentation devices into a single repository for the entire Thomson Line MRT project; commenced on 6 June 2014 and completion is expected to take place in June 2021.

Tritech was also awarded a S$6.68 million contract by China Railway No. 5 Engineering Group Co., Ltd., Singapore Branch, for, *inter alia*, the provision of professional design services in relation to the Lentor Station and associated temporary work / TERS design for the TSL. The duration of this contract is from 17 March 2014 to April 2016.

We were also awarded a S$1.5 million contract by the National Parks Board of Singapore to provide geotechnical engineering consultancy services for selected managed slopes. The duration of this contract is 3 years commencing from 23 December 2013. Tritech was also appointed by the LTA to carry out site investigation works for its projects. The contract value is S$4.465 million and the contract is effective from 4 February 2014 over a period of three years.

In April 2014, the Group secured a contract worth S$7.016 million from the Public Utilities Board to provide, *inter alia*, ground and structural engineering services in relation to the proposed sewers project in Tagore Drive area. This project is expected to be completed in November 2015.

Water-Related and Environmental Business

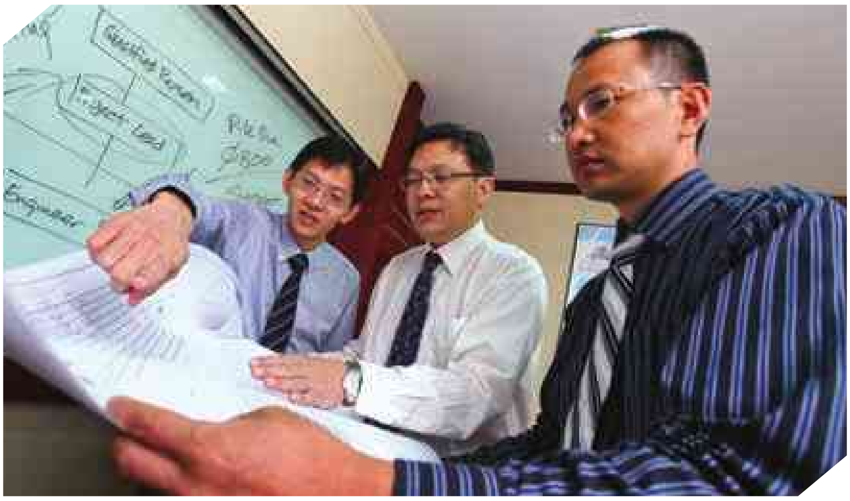
Revenue from our Water-Related and Environmental Business in FY2014 more than doubled to S$9.0 million in FY2014 from S$3.5 million in FY2013. The increase was attributed mainly to ongoing water quality and real-time monitoring contracts in Singapore and India, initial contributions from new contracts secured in FY2014, as well as seven months of revenue contribution from Anhui following the Acquisition (as defined below).

During FY2014, the Group won a new contract worth S$3.751 million from the Public Utilities Board to supply services for real-time monitoring of waterways. The contract commenced on 23 January 2014 and is expected to be completed in April 2017.

In October 2013, Tritech completed the acquisition of 100% equity interests in Anhui for a cash consideration of RMB10.0 million (approximately S$2.0 million) (the "Acquisition"). Incorporated in 2003, Anhui is a water treatment company based in Hefei, Anhui Province of China. This company has more than 100 waste water treatment projects under its belt and has also been involved in environment engineering projects, and municipal water treatment and supply projects in China. As at 31 May 2013, Anhui had an unaudited net tangible asset value of RMB11.8 million and RMB1.0 million of properties at book value.

With our membrane production facility in Qingdao now fully operational, we believe the Acquisition will provide us with an immediate access to the water treatment and waste water treatment market in China. The Group will be able to enhance sales of its water treatment membranes by leveraging on Anhui's management expertise, track record, clientele and existing licenses. Tritech

MANAGING DIRECTOR'S MESSAGE



has also developed its own unique core competitive strengths which include a complete range of membrane and related products, advanced and patented anaerobic technologies and real-time water quality and environmental monitoring technologies. We believe the combined strengths of Anhui and Tritech will allow us to enhance the competitive edge of our water treatment and waste water treatment solutions which can strengthen our industry position.

In February 2014, Anhui was awarded a RMB24.36 million (approximately S$4.9 million) waste water treatment contract by HuaRong Xuehua Brewery (Henan) Co. Ltd. The contract includes the designing of the waste water treatment plant, construction, equipment supply and installation and commissioning of the waste water treatment plant which will have a total capacity of 8,000m^3 per day. The duration of the contract is 400 days from the date of commencement.

In April 2014, Tritech signed a MOU for the proposed acquisition of a 49% equity stake in Jining Zhongshan which is in the business of treating and supplying drinking water, and treatment of waste water. Jining Zhongshan was granted a special 30-year operating license commencing from 2009 by the Government of Jining City to treat and supply drinking water and waste water-treatment activities to meet the domestic and industrial water treatment and water supply needs of Jining City.

Jining Zhongshan has four water supply plants and one water treatment plant. On a daily basis, Jining Zhongshan is able to achieve water supply volume of around 300,000m^3, and water treatment output of approximately 200,000m^3 (Grade A water quality). Its water supply pipelines extend more than 700km across the city.

Jining City, located in southwest Shandong province of China, has an administrative area of approximately 110,000m^2 and a population of approximately 8.43 million. The city's gross domestic product grew 10% to around RMB350 billion in 2013.

We believe that the water treatment and water supply needs of Jining City will grow in tandem with its continued economic development. As a licensed and exclusive operator, Jining Zhongshan is in an advantageous position to reap the potential growth in industrial water treatment and overall water supply needs.

As such, the proposed acquisition of Jining Zhongshan will not only provide new revenue streams and profits for the Group, it will also enable Tritech to leverage on the growth potential of Jining Zhongshan. The Group shall release further announcements on the proposed acquisition when the definitive agreement(s) is signed, or as and when appropriate.

The management expects growth in the revenue contribution from our Water-related and Environmental Business in the next 12 months.

Marble Resource Business

The Group's marketing efforts for our Marble Resource Business are gradually reaping results as this business registered a maiden revenue of S$0.6 million in FY2014. We landed our first significant sales contracts for marble and related products with a total value of RMB88.5 million (approximately S$17.95 million). These contracts were signed in October 2013 with four property developers in China; namely青岛金石佳苑置业有限公司, 青岛世航置业有限公司, 青岛华恒置业有限公司and青岛华恒翰林置业有限公司, for separate property development projects. The marble products will be delivered progressively to the customers from the middle of 2014, in accordance to the construction progress of the various projects.

We intend to step up our sales and marketing efforts in China, Southeast Asia and the Middle East to drive the growth of our Marble Resource Business. We will also continue to work on improving production of our marble and related products. Having commenced commercial production at the first two hills of our marble quarry in Kelantan, Malaysia, the Group is in the process of starting production at the other two hills.

I wish to thank our shareholders for their support and approval of the Group's proposed spin-off listing of the Marble Resource Business on the Catalist of the SGX-ST. The Group and the relevant professionals will continue to work on the proposed listing of its Marble Resource Business on the Catalist and we shall keep shareholders apprised of the progress as and when appropriate.

Financial Review

Income Statement

The Group's revenue increased by S$4.7 million to S$55.7 million in FY2014 mainly attributable to the increase in revenue from our Water-related and Environmental Business as well as the initial sales derived from our Marble Resource Business. This was partially offset by a decrease in revenue from the Engineering Business.

Gross profit declined by S$2.1 million to S$13.2 million in FY2014, resulting in a lower gross profit margin of 23.7% in FY2014 as compared to 30.0% in FY2013. The decrease was due mainly to the increase in direct wages for engineering services as a result of the changes in government policy relating to the employment of foreign workers.

MANAGING DIRECTOR'S MESSAGE

The Group's other income increased significantly by S$8.2 million to S$8.8 million in FY2014 due mainly to a gain in bargain purchase of S$7.6 million which arose from the acquisition of Anhui. Sundry income also increased by S$0.1 million as a result of staff secondment and government grant among other factors.

Administrative expenses increased by S$3.4 million to S$13.6 million in FY2014, owing primarily to higher professional fees incurred for the proposed spin-off listing of our Marble Resource Business, as well as higher staff salary and bonuses in tandem with the increase in headcount to support our expanding business portfolio.

Depreciation charges also increased by S$0.9 million to S$4.1 million in FY2014 mainly due to the purchase of new machinery and equipment for our businesses.

Distribution expenses remained largely unchanged at S$0.9 million in FY2014 as compared to S$0.8 million in FY2013. However, other expenses increased by S$4.6 million to S$13.2 million in FY2014, due mainly to an increase in fair value loss (non-cash expense) in FY2014 in relation to the convertible bonds issued in FY2013.

Finance costs climbed to S$2.1 million in FY2014, an increase of S$0.7 million from FY2013 as a result of higher bank borrowings. Income tax credit in FY2014 was S$0.1 million as compared to S$1.5 million in FY2013 which was due mainly to a reversal of tax due to over provision in the prior financial years.

The Group recorded a loss after tax of S$7.6 million in FY2014, compared to a loss after tax of S$3.6 million in FY2013 as a result of the above. As our Water-related and Environmental, and Marble Resource businesses are still at their initial stage of development, revenue from these businesses have yet to reach a meaningful scale to compensate for the fixed operating overheads expenses.

Financial Position

As at 31 March 2014, the Group had shareholders' equity of S$89.1 million, and cash and cash equivalents of S$20.9 million. Net gearing as at 31 March 2014 was approximately 0.33 times.

Non-current assets increased by S$23.3 million to S$81.7 million as at 31 March 2014, from S$58.4 million as at 31 March 2013. This was attributed primarily to purchases of additional equipment, increase in fair value for the leasehold properties and land use right in China totaling S$16.8 million, the recognition of fair value of S$3.3 million for patents and licenses of Anhui, long-term trade receivable for a retention sum from contract customers and prepayment for the purchase of a plot of land at Gua Musang, Kelantan, Malaysia.

Current assets as at 31 March 2014 increased to S$82.0 million from S$66.3 million as at 31 March 2013. The increase of S$15.7 million was partly attributed to higher inventories of marble products and our Water-related and Environmental Business in China. Trade and other receivables, and amounts due from contract customers also increased, due partly to the consolidation of Anhui into the Group, and the completion of certain engineering projects in FY2014. There was also an increase in prepayments to subcontractors and suppliers of our Water-related and Environmental Business in FY2014.

Current liabilities as at 31 March 2014 increased by S$9.8 million to S$60.1 million from S$50.3 million as at 31 March 2013. This was attributed mainly to an increase in bank borrowings to finance the working capital of Tritech Qingdao Membrane Industry. Co. Ltd, higher current income tax payable, amount due to contract customers, as well as an increase in the fair value of convertible bond. The increases were partially offset by repayments of a shareholder's loan and finance leases.

Non-current liabilities amounted to S$14.5 million as at 31 March 2014, an increase of S$2.5 million from S$12.0 million as at 31 March 2013. This was mainly due to the increase in deferred tax liabilities arising from fair value of leasehold properties and land use right in China, offset partially by a decrease in long-term bank borrowings and finance lease payables.

Shareholders' equity as at 31 March 2014 increased to S$89.1 million from S$62.3 million as at 31 March 2013, primarily as a result of an increase in share capital following the issuance of new shares and asset revaluation reserves.

Cashflow Statement

In FY2014, the Group recorded a net cash outflow of S$8.1 million from operating activities, due mainly to the losses incurred in the financial year and working capital requirements to finance increases in trade and other receivables, inventories, and the payment of trade and other payables.

Net cash used in investing activities was S$6.5 million, attributed mainly to acquisition of a subsidiary in FY2014, purchase of property, plant and equipment and for the purchase of land at Gua Musang, Kelantan, Malaysia.

Net cash generated from financing activities was S$12.0 million, attributed mainly to proceeds from placement of new shares, exercise of warrants and share options, as well as a net increase in borrowings. These were offset partially by interest payments, repayments of a shareholder loan and finance lease obligations.

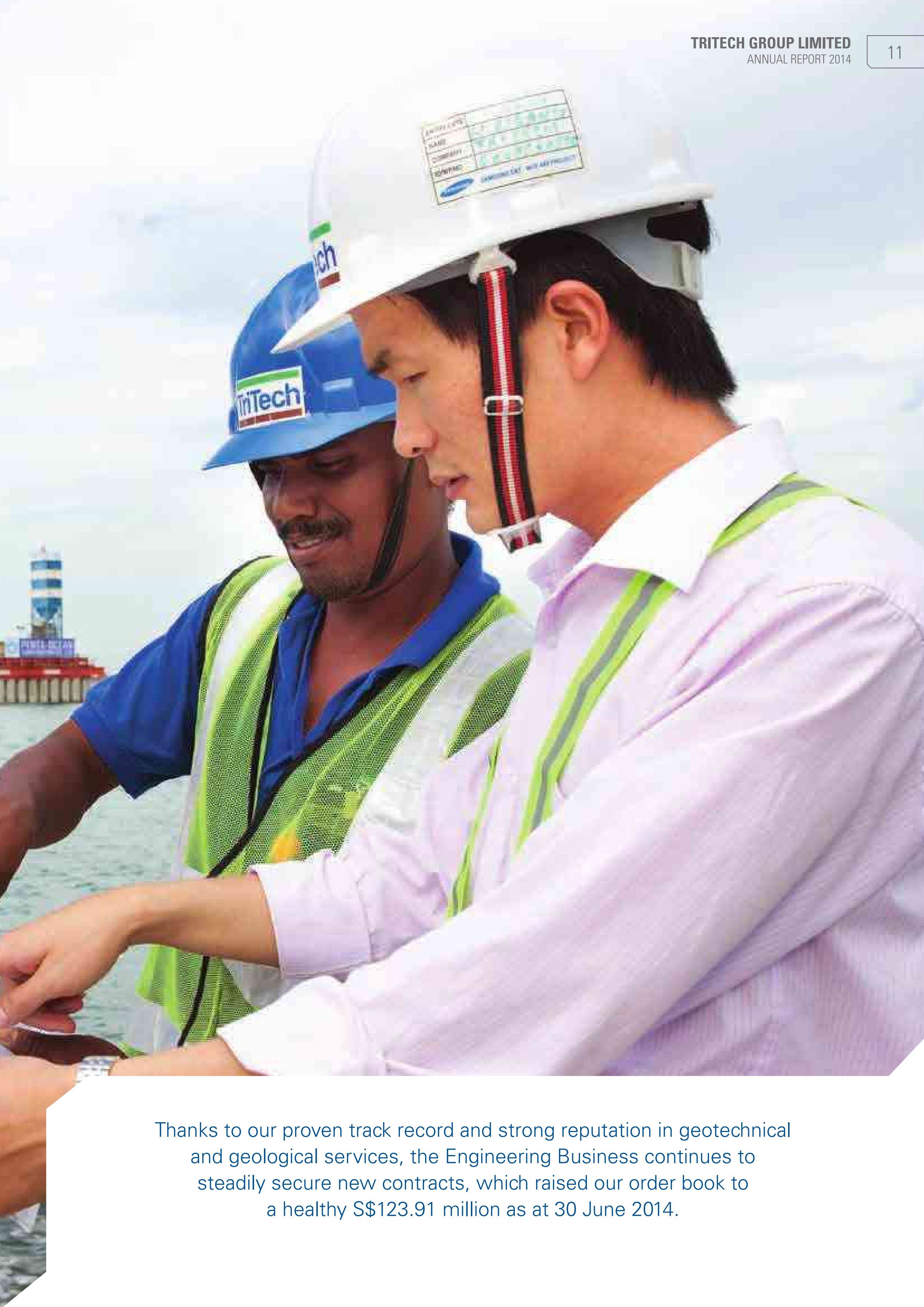
As a result, the Group's cash and cash equivalents in the statement of financial position increased by S$0.3 million to S$20.9 million as at 31 March 2014 from S$20.6 million as at 31 March 2013. After taking into account the aggregate increase in bank overdrafts and pledged fixed deposits to S$9.3 million as at 31 March 2014 from S$6.5 million as at 31 March 2013, the Group's cash and cash equivalents as reflected in the statement of cash flows decreased by S$2.4 million to S$11.6 million as at 31 March 2014.

Appreciation

On behalf of the Board, I would like to thank our shareholders, customers, suppliers and business partners for their continued support and patronage of the Group. I would also like to convey my appreciation to our management and staff for their dedication and hard work that have enabled Tritech to successfully build three business engines for our long-term growth. With a stronger foundation in our Water-related and Environmental and Marble Resource businesses, I believe Tritech is on the right course to expand our business horizons.

Dr Jeffrey Wang
Managing Director

REPUTATION
FOR EXCELLENCE



Thanks to our proven track record and strong reputation in geotechnical and geological services, the Engineering Business continues to steadily secure new contracts, which raised our order book to a healthy S$123.91 million as at 30 June 2014.

BOARD OF DIRECTORS

LEFT TO RIGHT

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

PROFESSOR YONG KWET YEW

Non-Executive Chairman and Independent Director

Professor Yong Kwet Yew is our Non-Executive Chairman and Independent Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board directors at the Company's annual general meeting held on 27 July 2012. Professor Yong is a highly regarded geotechnical specialist in Singapore and Southeast Asia. He holds a PhD from the University of Sheffield, UK and has delivered 25 keynotes and guest lectures at international conferences and published more than 200 technical papers. He has also served as a consultant in over 100 major construction projects in the region. Professor Yong was the President of the Southeast Asian Geotechnical Society and chairs several government advisory committees and professional committees. He has received many awards including the Public Administration Medal, the Public Service Medal and Public Service Star in the year of 2000, 2004 and 2008. He is a Fellow of the Institution of Engineers, Singapore, an Accredited Adjudicator and a member of Singapore Institute of Directors. He is a registered Professional Engineer in Singapore.

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

DR JEFFREY WANG

Managing Director

Dr Jeffrey Wang is our Managing Director and was first appointed to the board of directors on 13 May 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 27 July 2012. He is in charge of overall operation and business development of our Group. Before the commencement of our Group's business in 2000, he was a senior engineer in an engineering

BOARD OF DIRECTORS

consultancy firm from 1991 to 1996, and a chief engineer in an engineering company listed on the SGX-ST from 1996 to 2000. During his employment in these companies, Dr Wang was in charge of the design and supervision of many infrastructural projects in Singapore. Dr Wang has more than 21 years of experience in geotechnical engineering. He has published many technical papers in geotechnical engineering. Dr Wang is a Fellow member of the Chartered Management Institution (CMI), UK and is a registered professional engineer. He holds a PhD from the Chinese Academy of Sciences (where he was awarded the Minister Award of Chinese Academy of Sciences in recognition of his outstanding performance) and a Doctorate Degree in Philosophy from the National University of Singapore. In September 2007, Dr Wang was awarded the Best Entrepreneur Award for Faculty of Engineering by the National University of Singapore.

DR CAI JUNGANG

Executive Director

Dr Cai Jungang is our Executive Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2013. He is in charge of supervision of our Specialist Engineering Services and Ground of Structural Engineering Services Division. Before he was employed by our Group in 2003, he was a research scholar and then research fellow in the Nanyang Technological University. Dr Cai has 16 years of R&D and engineering experience, published more than 100 technical books and papers in scientific journals and conference proceeding, and has been involved in many underground facility projects in Singapore. Dr Cai is a senior member of the Institute of Engineers, Singapore (MIES). He was the secretary general of Singapore National Group of International Society for Rock Mechanics from 2000 to 2005, and is currently the committee member of Society for Rock Mechanics and Engineering Geology (Singapore). Dr Cai holds a Master of Engineering and Doctor of Philosophy from the Nanyang Technological University of Singapore. He is the spouse of Ms Bi Xiling, one of our Executive Officers.

DR LOH CHANG KAAN

Non-Executive Director

Dr Loh Chang Kaan is our Non-Executive Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 28 July 2011. He is in charge of the supervision of our Marble Resource 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 Master of Engineering and Doctor of Philosophy from the National University of Singapore.

MR LIM YEOK HUA

Independent Director

Mr Lim Yeok Hua is our Independent Director and was first appointed to the board of directors on 9 June 2008. He was last re-elected to the board of directors at the Company's annual general meeting held on 28 July 2011. Mr Lim has extensive experience in audit, tax, merger and acquisition and financial management and consultancy, having spent more than 18 years with the Inland Revenue Authority of Singapore and three international and local accounting firms before running his own public accounting practice from 1992 to 1999. Mr Lim presently runs his own management consultancy firm and is currently also an independent director of Manufacturing Integration Technology Ltd ("MIT"), JK Tech Holding Limited and Kori Holdings Limited, all of which are listed on 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 Accountants, UK, a member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

MR AW ENG HAI

Independent Director

Mr Aw Eng Hai is our Independent Director and was first appointed to the board of directors on 4 September 2009. He was last re-elected to the board of directors at the Company's annual general meeting held on 26 July 2013. Mr Aw is a public accountant and a partner of Foo Kon Tan Grant Thornton LLP where he is in charge of the various departments providing specialist advisory services. He has more than 12 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr Aw was an investigator in the Commercial Affairs Department (CAD) where he was involved in complex commercial fraud investigation. Mr Aw is a practising member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), a Fellow of Insolvency Practitioners Association of Singapore (IPAS) and a member of INSOL International.

KEY MANAGEMENT
OF THE GROUP

ENGINEERING GROUP

DR LIM KEN CHAI

DR HONG SZE HAN

DR LIM KEN CHAI

Executive Director, Tritech Consultants Pte Ltd

Dr Lim Ken Chai is an Executive Director of our subsidiary, Tritech Consultants Pte Ltd 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.

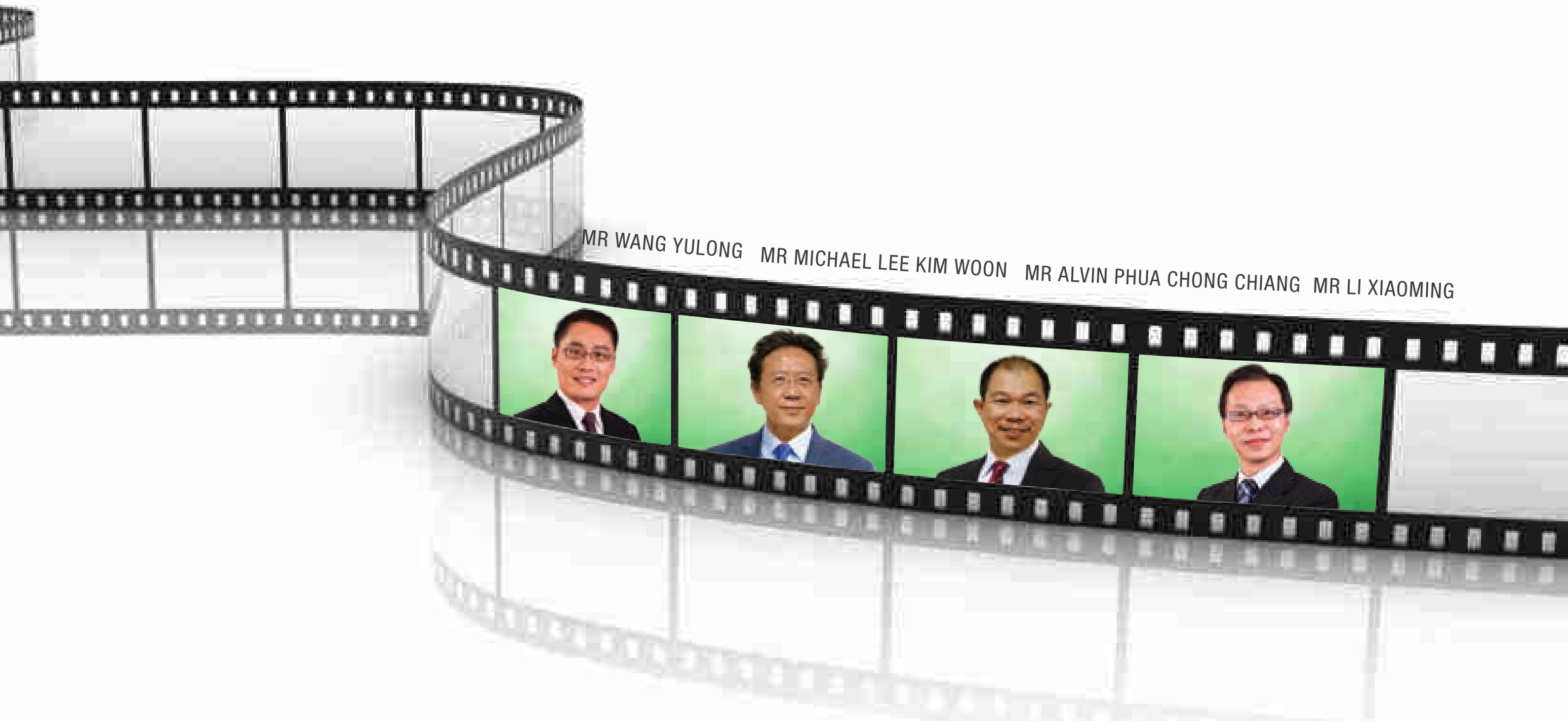
Dr Lim holds a PhD in Civil Engineering from the National University of Singapore. He is a ex-committee member of the Institute of Engineers Singapore (Geotechnical and Transportation Division), a technical committee member for Singapore Laboratory Accreditation Scheme and a member of the South East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

DR HONG SZE HAN

Associate, Tritech Consultants Pte Ltd

Dr Hong Sze Han is an Associate of our subsidiary, Tritech Consultants Pte Ltd – Special Geotechnical Division. He joined our Group in 2005 and is presently working as a geotechnical consultant carrying out a comprehensive study of slopes and conducting large scales three dimension finite element analyses.

Dr Hong holds a PhD in Philosophy 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.



KEY MANAGEMENT OF THE GROUP

MS BI XILING

Technical Director, Tritech Consultants Pte Ltd

Ms Bi Xiling is a technical director of our subsidiary, Tritech Consultants Pte Ltd and is responsible for the technical aspects of its specialist engineering works. She joined our Group in 2006. Prior to that, she was a 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, an Executive Director of Tritech Group Limited.

ER LIANG FOO JEE

Director, Tritech Consultants Pte Ltd

Er Liang Foo Jee is a Director of our subsidiary, Tritech Consultants Pte Ltd and is responsible for the execution of its professional engineering works. Prior to joining our Group in 2000, he 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 infrastructure 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.

DR TOR YAM KHOON

Director, Tritech Engineering & Testing (S) Pte Ltd

Dr Tor Yam Khoon graduated with a Ph.D. (specialising in Deformation Monitoring) from Nanyang Technological University in 2004. Currently, Dr Tor is the Director of our subsidiary, Tritech Engineering and Testing (S) Pte Ltd, taking charge of surveying projects secured by the company. Dr Toh has been a Registered Surveyor in Singapore since 1991 and also a fellow member of the Singapore Institute of Surveyors and Valuers.

Dr Tor is knowledgeable in engineering surveying, deformation monitoring, mapping, geographic Information system and terrestrial laser scanning. He has accumulated over many years of hands-on working experience.

KEY MANAGEMENT
OF THE GROUP

ENGINEERING GROUP

MR SCOTT CHENG

MR SCOTT CHENG

General Manager, Tritech Engineering & Testing (S) Pte Ltd

Mr Cheng was appointed as the General Manager of our subsidiary, Tritech Engineering & Testing (S) Pte Ltd, since February 2014. He has 24 years of industrial experience. He is in charge of the daily operations of the subsidiary's core business in instrumentation and soil investigation works. He is also involved in the managing of projects and overseeing the safety aspects of the projects. Mr Cheng obtained the Specialist Diploma in Workplace Safety and Health in 2010.

MR GAO JIANSHENG

MR GAO JIANSHENG

Deputy General Manager, Tritech Engineering & Testing (S) Pte Ltd

Mr Gao Jiansheng was appointed the Technical Director of our subsidiary, Triteh Engineering & Testing (S) Pte Ltd, since February 2012.

He graduated with a Master of Engineering from Tsinghua University, China in 1988. He has 26 years of geotechnical experience and he is currently the person in charge of the technical aspects of site investigation, instrumentation and monitoring works.

ER CHOW WENG CHEONG

ER CHOW WENG CHEONG

Technical Director, Tritech Consultants Pte Ltd

Er Chow Weng Cheong is responsible for the design and execution of professional engineering works. Er Chow has more than 31 years of experience in the planning, design and project management of infrastructure works and was the Senior Principal Engineer with the Housing & Development Board. Prior to joining our Group in October 2010, Er Chow had worked for an international consultancy firm overseeing the implementation of PUB's Marina Reservoir Scheme.

Er Chow graduated with a Master of Science (Construction) in 1977 from the National University of Singapore and has been a registered Professional Engineer in Singapore since 1980. He is a Senior Member of the Institution of Engineers, Singapore, a Member of the Institution Civil Engineer (UK) and Chartered Civil Engineer (UK). He has been awarded the Long Service Medal by the President of the Republic of Singapore in recognition of his contributions to the public housing development.

ER WANG YONGJIE

ER WANG YONGJIE

Senior Principal Engineer, Tritech Consultants Pte Ltd

Er Wang Yongjie is currently the Senior Principal Engineer of our subsidiary, Tritech Consultants Pte Ltd. Er Wang is responsible for the design and execution of professional engineering works. Er Wang has more than 24 years of experience in the planning, design and project management of civil structure works. Prior to joining the Group in January 2014, Er Wang had worked for various construction and consultancy firm involving the construction, design and supervision of the major civil works including MRT station and large road tunnel.

Er Wang holds a Master of Science (Geotechnical) in 2005 from the Nanyang Technological University and has been a registered Professional Engineer (Civil) and a registered Professional Engineer (Geotechnical) in Singapore.

KEY MANAGEMENT OF THE GROUP

MR LAI BOON CHEE ADRIAN

Senior Manager, Presscrete Engineering Pte Ltd

Mr Lai Boon Chee Adrian, has been with our subsidiary, Tritech Geotechnic Pte Ltd, since March 2006 and was seconded to our subsidiary, Presscrete Engineering Pte Ltd, as a senior manager.

Mr Lai is responsible for the overall planning, management and co-ordination of all construction works including logistics operation in both subsidiary companies as a whole and is involved in many major MRT/LTA/PUB infrastructure projects in Singapore and also projects in Malaysia.

Mr Lai graduated with a Bachelor of Applied Science Degree (Construction Management) with Honours at the Royal Melbourne Institute of Technology and has more than 25 years of experience in the construction industry. He is also a registered technical member with IES.


MR LAI BOON CHEE ADRIAN

MS WEE POH YEN ELSIE

Senior Manager, Tritech Geotechnic Pte Ltd

Ms Wee Poh Yen Elsie is currently the Senior Manager of our subsidiary, Tritech Geotechnic Pte Ltd. She joined our Group in December 2003.

Miss Wee graduated with a Bachelor of Engineering (Civil) Degree with Honours at Nanyang Technological University, Singapore and obtained her Master of Science (Geotechnical) Degree at the National University of Singapore. She has 11 years of experience in the construction industry which involves the management, co-ordination and overall planning of major MRT/LTA/PUB/HDB infrastructure projects in Singapore such as the LTA Downtown Line C909 (Chinatown MRT station), LTA Circle Line Contract C856, LTA T2123 for Removal of Piles, PUB Contract 1100004 – Sewer Extension at Marina Reservoir Catchment and Changi Coast Areas, HDB Contract D/008/12 – Slope Stabilization Works near Block 2, Thomson Road, Singapore etc. Her vast experience in the construction industry is not only confined to project management but also extended to tendering and contract matters.


MS ELSIE WEE

MR YANG WENYI

Senior Project Manager, Presscrete Engineering Pte Ltd

Mr Yang Wenyi was appointed as the Senior Project Manager of our subsidiary, Presscrete Engineering Pte Ltd, since September 2013. He is responsible for carrying out organization, management and operation of project. He specializes in geotechnical engineering and underground engineering, and are experience in the soil improvement, pipe jacking, mined tunnel and TBM tunnel. Prior joining our Group in 2013, Mr Yang was a senior engineer at an institute and act as project manager and deputy project director who took charge many civil projects. He has over 28 years of experience in the fields of civil, underground engineering and geotechnical engineering.


MR YANG WENYI

MR ANG WEE BOON

Senior Manager cum Contracts Manager, Presscrete Engineering Pte Ltd

Mr Ang Wee Boon was appointed as the Senior Manager cum Contracts Manager of our subsidiary, Presscrete Engineering Pte Ltd, since October 2013. He joined our Group in June 2003 right after graduating from Nanyang Technological University of Singapore, as an instrumentation engineer of Tritech Engineering & Testing (S) Pte Ltd. He is specialized in geotechnical instrumentation work and has good experiences leading instrumentation team in major projects in Singapore.


MR ANG WEE BOON

KEY MANAGEMENT
OF THE GROUP

ENGINEERING GROUP

MR KELVIN ZHANG

MR KELVIN ZHANG PENGJUN
Design Manager, Presscrete Engineering Pte Ltd

Mr Kelvin Zhang Pengjun was appointed as the Design Manager of our subsidiary, Presscrete Engineering Pte Ltd, since January 2008. He is responsible for carrying out all the project schemes and construction designs pertaining to civil, structural and geotechnical engineering works. Apart from these scope of works, he also helps to solve any technical issues arising so as to ensure that the highest quality standard of our services to our clients are met.

Prior to joining the Group, Mr Zhang was a Senior Design Engineer with a Consultant company and a Senior Project Manager with a Project Management Company. He has more than 29 years of experience in the construction industry, both locally as well as overseas.

MR MAO CHANGJIANG

MR MAO CHANGJIANG
Assistant General Manager, Tritech Engineering & Testing (S) Pte Ltd

Mr Mao Changjiang was appointed as the Assistant General Manager of our subsidiary, Tritech Engineering & Testing (S) Pte Ltd, since February 2014. Mr Mao is responsible of the company general operation on instrumentation projects, R&D and business development. Prior to that, he had worked in a state-owned company in China for 14 years, where he held various positions as engineer, Manager to HR director. Mr Mao graduated from Nanjing University with a bachelor degree of geo-science in 1994, and also obtained a Master degree in Business Administration in 2008 from Lan Zhou University.

MR LIAU KENG CHUNG

MR LIAU KENG CHUNG
Director of Projects, Tritech Engineering & Testing (S) Pte Ltd

Mr Liau Keng Chung joined the Group in 2007 and was appointed as Director of Projects of our subsidiary, Tritech Engineering & Testing (S) Pte Ltd, since February 2014. Mr Liau is responsible for projects' quality control, planning, operations and management. Mr Liau is a registered Resident Engineer with the Institution of Engineers Singapore.

MR LEE MING HWEE ALBERT

MR LEE MING HWEE ALBERT
Senior Contracts Manager, Tritech Engineering & Testing (S) Pte Ltd

Mr Albert Lee was appointed as the Senior Contracts Manager of our subsidiary, Tritech Engineering and Testing (S) Pte Ltd, since June 2014. He is responsible for the management of the Contracts Department, involving in marketing, tendering, and procurement of Specialist Engineering Services involving in Soil and Rock Investigations and Instrumentation and Monitoring Works for major infrastructure projects, such as LTA's MRT Circle Line, Downtown Line, Thomson Line, Marina Coastal Expressway, Singapore Power Cable Tunneling Projects, and many private residential and commercial developments in Singapore, such as Marina Bay Sands IR, Marina Business Financial Centre, Marina Bay Residences and Reflections at Keppel Bay. He holds a Bachelor of Science (Hons) Degree in Building from National University of Singapore.

KEY MANAGEMENT OF THE GROUP

WATER & ENVIRONMENT GROUP

MR WANG DAQING

Chief Operating Officer, Tritech (Qingdao) Membrane Industry Co., Ltd &
General Manager, Anhui Clean Environmental Biotechnology Co., Ltd

Mr Wang Daqing graduated with a Master's Degree in Environment Engineering from Hefei University of Technology in 2002. Currently he is the Chief Operating Officer of our subsidiary, Tritech (Qingdao) Membrane Industry Co., Ltd, and also the General Manager of our subsidiary, Anhui Clean Environmental Biotechnology Co., Ltd. He is in charge of the overall water treatment division in Qingdao and Anhui. Mr Wang has an extensive experience in various sewage treatment engineering consultancy and design.

MR WANG DAQING

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 our subsidiary, Tritech (Qingdao) Membrane Industry Co., Ltd, 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.

MS WU LING

KEY MANAGEMENT OF THE GROUP

WATER & ENVIRONMENT GROUP

MR KUAN KENG MUN

Chief Operating Officer (Products), Tritech Water & Environment Group Limited

Mr Kuan Keng Mun graduated with a Master of Science (Control Eng. and IT) from University of Manchester, UK (UMIST) in 1994. Currently, he is the Chief Operating Officers for Products of our subsidiary, Tritech Water & Environment Group Limited. He is in charge for the online sales/marketing system and taking charge of product development for Tritech Water.

Mr Kuan is knowledgeable in electronic engineering, process automation, product testing systems, and product design, having accumulated over many years of hand on working experience.

MR WANG BO

General Manager, Tritech (Qingdao) Membrane Industry Co., Ltd

Mr Wang Bo is the General Manager of our subsidiary, Tritech (Qingdao) Membrane Industry Co., Ltd. He is responsible for the company's sales and marketing for one of our Group's business segment, which is the water and environmental segment. Mr Wang has broad knowledge and extensive experience in various water treatment technology and equipment. He has worked closely with government and companies and had secured various million dollar projects. Mr Wang graduated with a Bachelor's Degree from Qingdao Institute of Chemical Technology in 1993.

ER TEO HOCK HENG

Chief Operating Officer (Projects), Tritech Water & Environment Group Limited

Er Teo Hock Heng joined our Group in 2013 as the Chief Operating Officer our subsidiary, Tritech Water & Environment Group Limited. He is responsible for the development, operation and expansion of the water business, providing technical oversight and maximizing value from water-related projects. He has more than 25 years of experience in the water and environmental engineering industry, both in the public and private sectors.

Er Teo graduated with a Degree in Electrical Engineering from the National University of Singapore. He is also a Singapore Professional Engineer (Electrical), ASEAN Chartered Professional Engineer, EMA Licensed Electrical Engineer and a Member of the Institution of Engineers, Singapore.

KEY MANAGEMENT OF THE GROUP

MR POH YE KONG

Technical Director, SysEng (S) Pte Ltd

Mr Poh Ye Kong is the Technical Director of our subsidiary, SysEng (S) Pte Ltd.

Mr Poh has more than 20 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. He is also responsible for the environmental monitoring business in PRC. Mr Poh holds a Bachelor Degree in Electronic and Electrical Engineering from the Nanyang Technology University and a Member of Geotechnical Society Singapore.

DR DUAN WEI

Chief Technical Officer, Tritech Water & Environment Group Limited

Dr Duan Wei is the Chief Technical Officer of our subsidiary, Tritech Water & Environment Group Limited. He is responsible for the membrane research and development of our Membrane and Water Division.

Dr Duan holds a PhD in Material Science and Engineering from Tongji University in the PRC. Prior to joining our Group, he was engaged in post-doctoral research at the National University of Singapore. He is experienced in membrane research and development and membrane application in water/waste water treatment. He is currently a member of the Environmental Engineering Society Singapore.

DR TAN CHIEN HSIANG

Assistant General Manager (Membrane Related Products)
Tritech Water & Environment Group Limited

Dr Tan Chien Hsiang received his PhD in Environmental Engineering from National University of Singapore in 2011. His topic is on Modeling and Optimisation of the Forward Osmosis Process. During his PhD studies, he had presented and published more than 10 technical papers in international journals and conferences on Forward Osmosis. Dr Tan joined our Group in 2011 as a Senior Engineer of our subsidiary, Tritech Water Technologies Pte Ltd. He is responsible for the design, procurement, commissioning and operation of novel pilot seawater desalination system. Within a year, he was posted to Tritech Qingdao to take charge of the manufacturing of the membrane related products. Dr Tan currently is the Assistant General Manager of our subsidiary, Tritech Water & Environment Group Limited. He is in charge of the daily operation of our group's membrane related products.

KEY MANAGEMENT
OF THE GROUP

WATER & ENVIRONMENT GROUP


MR DANIEL VANNIASINGHAM

MR DANIEL VANNIASINGHAM

Chief Sales Officer, Tritech Water Technologies Pte Ltd

Mr Daniel Vanniasingham was appointed as the Chief Sales Officer of our subsidiary, Tritech Water Technologies Pte Ltd, since June 2014. He is responsible for the sales of membrane related products and setting up distributors worldwide (outside of China). Prior to that, he was a managing director at Reintjes Asia Pacific – a German MNC manufacturing marine gearboxes. He has over 30 years of experience in the areas of business development/operations, sales and marketing management, distribution management, strategic planning, and profit and loss responsibility. He is a Chartered Engineer and member of the Institution of Mechanical Engineers, Marine Engineers and the Royal Institute of Naval Architects.


MR. STEPHEN YIP YOI CHUEN

MR STEPHEN YIP YOI CHUEN

Sales and Marketing Director, Tritech Water Technologies Pte Ltd

Mr Stephen Yip is the Sales and Marketing Director for our subsidiary, Tritech Water Technologies Pte Ltd. He is responsible for the Sales and Marketing of our Group's membrane products and project sales for the international markets. Mr Yip graduated with a Bachelor degree in Mechanical Engineering from the Royal Melbourne Institute of Technology, Australia on 1977. Mr Yip has more than 20 years of experience in the sales and marketing of water treatment products, systems and services for the Water Industry in the Asia Pacific. His experience lies with filtration and purification technologies as well as biological wastewater treatment with membrane technologies.


MR LUO ZHUOBIAO

MR LUO ZHUOBIAO

Director for Factory 2, Tritech (Qingdao) Membrane Industry Co., Ltd

Mr Luo Zhuobiao was appointed as the 2nd Factory Director of our subsidiary, Tritech (Qingdao) Membrane Industry Co., Ltd, since February 2012. He is responsible for the research and development of an innovative method of desalination on design and operation of membrane demonstration plant, membrane related products, a variety of water purifiers, electrolysis dispensers and dispenser filter cores. He is also in charge of Reverse Osmosis (RO) treated, ionization and mineralization for drinking water bottling production. Mr Luo joined our subsidiary, Tritech Engineering & Testing (Singapore) Pte. Ltd. as a geotechnical engineer in October 2006. He was promoted to a site manager in August 2008, and was transferred to Tritech Water Technologies Pte. Ltd. (Singapore) as a senior engineer in March 2011.

Mr Luo holds a Master degree in Environmental Engineering from Nanyang Technological University.


MR GONG ZHAO

MR GONG ZHAO

Contracts & Purchasing Director

Tritech (Qingdao) Membrane Industry Co., Ltd & Beijing Wisetec Technologies Co. Ltd

Mr Gong Zhao was appointed the Contracts & Purchasing Director of our subsidiaries, Tritech (Qingdao) Membrane Industry Co., Ltd and Beijing Wisetec Co., Ltd since November 2011. He is responsible for the contract, purchasing and factory logistics of Tritech Qingdao. Prior to that, he has 3 years of experience in the Contracts Department of Tritech Group Limited in Singapore. Mr Gong Zhao graduated from Chengdu University of Technology with a Bachelor Degree in Electrical & Engineering Exploration and he had also obtained a Master's Degree in Geological Engineering from Nanjing University in 2005.

KEY MANAGEMENT OF THE GROUP

FINANCE, HUMAN RESOURCES AND ADMINISTRATION

MR KWOK CHUNG CHIEH LINCOLN

Financial Controller, Tritech Group Limited

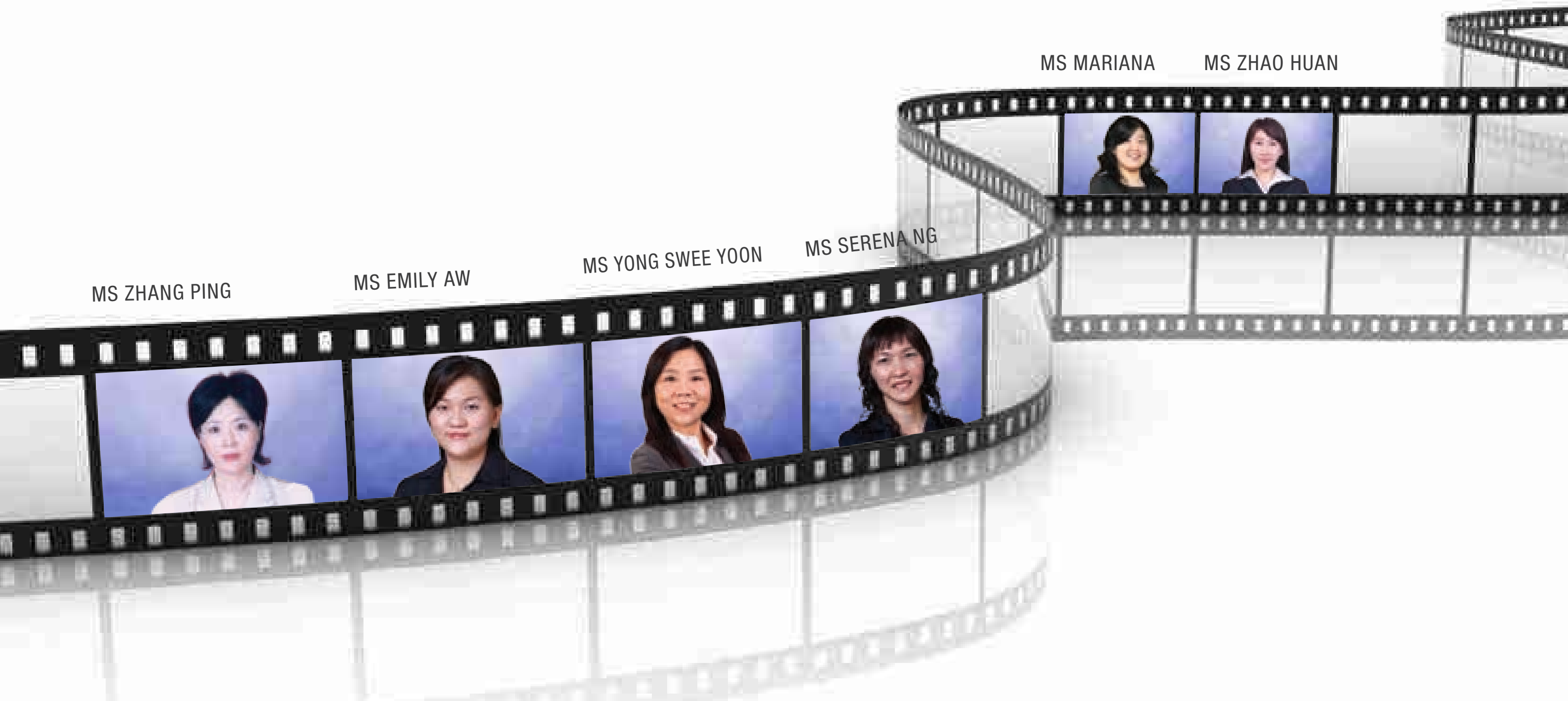
Mr Kwok Chung Chieh Lincoln was appointed as the Financial Controller of our Group with effect from 20 June 2014. He is responsible for the finance, accounting, taxation and compliance matters relating to our Group's operations. Prior to that, he was an assistant audit manager in an international accounting firm. Collectively, Mr Kwok has over seven years in the fields of audit and accountancy.

Mr Kwok holds a Bachelor of Engineering (Hons) Degree in Electrical Engineering from National University of Singapore. He also holds a Master of Accounting from Curtin University of Technology, Australia. He is a non-practising member of the Institute of Singapore Chartered Accountants and a member of both the Association of Chartered Certified Accountants and CPA Australia.

MR DENG HUA

China Finance Controller, Tritech Group Limited

Mr Deng Hua is currently the China Finance Controller of our Group. He is a registered accountant and tax expert. Prior to that, Mr Deng was the chief financial officer of Anhui Yan Square Food Co., Ltd and Anhui Spring Investment Group Limited. Mr Deng has extensive experience in investment and financial management, tax planning, cost control and other financial aspects of the work in China.



BUILDING
FUTURE GROWTH

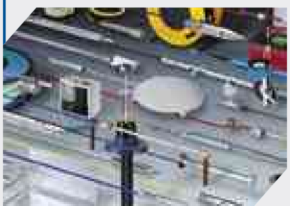
The Marble Resource Business became fully operational in FY2014 with the commencement of commercial production of high quality marble slabs at the first two hills of our marble quarry in Kelantan, Malaysia. We will increase our output of marble products when commercial production starts at the other two hills of the marble quarry.

MILESTONES
1999-2014

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

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

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



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

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

November 2002 - July 2003
SARS Pandemic

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

4 Feb 2004
Registration of Tritech Water Technologies

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

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

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

2 Dec 2006
Acquired 100% of Presscrete

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

1999 2000 2001 2002 2003 2004 2005 2006

MILESTONES 1999-2014

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

Aug **2008**
Tritech successfully completed its IPO

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

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

18 Jan **2010**
Registration of Tritech Qingdao

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

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

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

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

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

2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2014

EXPANDING
OUR REACH

Our proposed acquisition of Jining Zhongshan, together with Anhui and our existing membrane production facility in Qingdao, will enable Tritech to join the ranks with other major players in China's water and waste water treatment industry.

GROUP FINANCIAL HIGHLIGHTS

CONSOLIDATED REVENUE (S$'000)

CONSOLIDATED GROSS PROFIT (S$'000)

CONSOLIDATED (LOSS)/PROFIT BEFORE INCOME TAX (S$'000)

FY2014 REVENUE BY BUSINESS SEGMENTS %

	FY2014 $'000	FY2013 $'000	FY2012 $'000
At Balance Sheet Date			
Total Assets	163,758	124,634	101,558
Total Liabilities	74,617	62,322	37,848
Shareholders' Funds	89,141	62,312	63,711
Per Ordinary Share (cents)			
(Loss)/Earnings per share	(1.98)	(1.23)	0.85
Financial Indicators			
Revenue growth (%)	9.3	(1.2)	9.9
Return on shareholders' funds (%)	(8.6)	(5.8)	3.4
Return on total assets (%)	(4.7)	(2.9)	2.1

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report encompasses the reports of the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") of Tritech Group Limited (collectively, the "**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.

The Company 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 2012 (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, for the financial year ended 31 March 2014 ("**FY2014**"), except as otherwise stated.

BOARD MATTERS

Board's Conduct of its Affairs

The Board's role is to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- review the Management's performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- consider sustainability issues such as environmental and social factors, as part of its strategic formulation.

All our Directors are tasked to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board assumes responsibility for the Company's compliance with the guidelines on corporate governance. In accordance with the Code, the Board has, without abdicating its responsibility, established the Board Committees to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework. The Board Committees include the AC, NC and 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.

CORPORATE GOVERNANCE REPORT

The Board has adopted a set of internal guidelines setting forth matters that require its approval. Matters which require the Board's approval include but are not limited to material acquisitions and disposal of assets, corporate or financial restructuring, shares issuances, dividend payments, financial results and corporate strategies.

The Board meets on a regular basis to review the Group's internal policies and procedures, investments and divestments, the performance of the Group's business, consider corporate governance matters, approve the release of the quarterly and full year financial results and deliberate on other transactions and matters. The Board also holds meetings and/or have discussions (including via email correspondences) when warranted by particular circumstances, as deemed appropriate by Board members.

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

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 was as follows:

Board/Board Committees	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
No. of meetings held	4	3	1	1
Name of Director				
Wang Xiaoning	4	3	1	1
Cai Jungang	4	3	1	1
Loh Chang Kaan	4	3	1	1
Yong Kwet Yew	4	3	1	1
Lim Yeok Hua	4	3	1	1
Aw Eng Hai	4	3	1	1

The Board has adopted internal guidelines setting out the matters which are specifically reserved to the Board for approval, as follows:

- material acquisitions and disposal of assets;
- corporate or financial restructuring;
- share issuances (including stock options or other equity awards), dividends and other capital transactions and returns to shareholders;
- approval of annual audited financial statements of the Group and the Directors' Report thereto;
- any public reports or press releases reporting the financial results of the Group's operations; and
- matters involving a conflict or potential conflict of interest involving a substantial shareholder or a Director.

Clear directions have also been given to the Management that the matters above must be approved by the Board.

Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a Director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and governance practices. The Company also provides training for any new first-time Director (who has no prior experience as a director in a listed company) in areas such as accounting, legal and industry-specific knowledge as appropriate. All new first-time Directors (who have no prior experience as a director in a listed company) are also required to attend appropriate SGX-SID Listed Company Director (LCD) Programmes offered by the Singapore Institute of Directors ("SID").

All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Company will be responsible for arranging and funding the training of Directors.

In FY2014, briefings, updates and training for Directors included the following:

- the external auditors, BDO LLP, updated the AC on changes or amendments to the accounting standards;

- briefing by the Company Secretary to the Board on key changes to the Code at the Board and Board Committee meetings; and

- Mr Lim Yeok Hua attended the "Nominating Committee Essentials" and the "Audit Committee Essentials" courses conducted by the SID.

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 ensure a strong and independent element on the Board.

The Board consists of six (6) members, two (2) Executive Directors, namely Dr Wang Xiaoning and Dr Cai Jungang, one (1) Non-Executive Director, namely 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. No individual or small group of individuals dominates the Board's decision making.

The Independent Directors, namely Professor Yong Kwet Yew, Mr Lim Yeok Hua and Mr Aw Eng Hai, have confirmed that they have no relationship with the Company, its related corporations, its 10% shareholders 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 interests of the Company and its shareholders. The NC had reviewed and is satisfied as to the independence of Professor Yong Kwet Yew, Mr Lim Yeok Hua and Mr Aw Eng Hai.

CORPORATE GOVERNANCE REPORT

The Board will constantly examine its size and, with a view to determine the impact of the number on its 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 after taking into account the nature and scope of the Group's businesses and operations, the requirements of the Group's business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Non-Executive Directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Board also considers that its Directors possess the necessary competencies to lead and govern the Company effectively. The NC is also of the view that the current Board comprises persons who as a group, provide an appropriate balance and diversity of skills, experience, knowledge of the company and capabilities required for the Board to be effective. Profiles of the Directors are set out on pages 12 and 13 of this annual report.

To facilitate a more effective check on the Management, Non-Executive Directors meet regularly without the presence of Management.

Chairman and Chief Executive Officer

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

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

The role of the Non-Executive Chairman includes:

- leading the Board to ensure its effectiveness on all aspects of its role;
- setting the agenda for Board meetings and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board meetings;
- ensuring that the Directors receive complete, adequate and timely information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and the Management;
- facilitating the effective contribution of Non-Executive Directors in particular; and
- promoting high standards of corporate governance.

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

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

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 the Non-Executive Chairman and an Independent Director of the Company who is not directly associated with any substantial shareholder of the Company.

The NC is governed by written terms of reference under which it is responsible for, *inter alia*:

(a) determining annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration;

(b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if applicable);

(c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director;

(d) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board;

(e) based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members;

(f) the review of board succession plans for Directors; and

(g) the review of training and professional development programs for the Board.

In evaluating the effectiveness and performance of the various Board Committees and 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".

CORPORATE GOVERNANCE REPORT

The NC considers the appropriate characteristics, skills and experience of the Board as a whole as well as its individual members. In the search and nomination process for new Directors, if any, the NC seeks to cast its net as wide as possible in order to select the right candidate, including obtaining recommendations through contacts of the Management and Directors. The NC identifies the key attributes that an incoming Director should have, based on attributes of the existing Board and the requirements of the Company. Important issues to be considered as part of the process for the selection, appointment and re-appointment of Directors include composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (which include attendance, preparedness, participation and candour) including, if applicable, as an Independent Director. 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 of the Company ("**AGM**"), at least one-third of the Board are required to retire and to submit themselves for re-election. The Company's Articles of Association also provides that a newly appointed Director must retire and submit himself/herself for re-election at the next AGM following his/her appointment. In addition, Directors above the age of 70 are required under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") to retire and offer themselves for re-appointment by shareholders at every AGM.

The NC has recommended to the Board that Dr Loh Chang Kaan and Mr Lim Yeok Hua be re-elected at the forthcoming AGM. The Board has accepted the NC's recommendation.

Mr Lim Yeok Hua will, upon re-election as a Director of the Company, remain as an Independent Director and Chairman of the AC, a member of the NC and RC.

On 20 June 2014, Dr Loh Chang Kaan was re-designated from an Executive Director to a Non-Executive Director of the Company following his relinquishment of his executive role in the Group. Dr Loh Chang Kaan will, upon re-election as a Director of the Company, remain as a Non-Executive Director. However, it is contemplated that Dr Loh will resign as a Director with effect from the date of the proposed listing and initial public offering of shares of Terratech (the "**Proposed Listing**"), on the Catalist of the SGX-ST. A preliminary offer document in relation to the Proposed Listing was lodged on 30 June 2014 and it is contemplated that the final registration of the offer document in relation to the Proposed Listing will take place in or around July 2014. In the event that the Proposed Listing takes place prior the forthcoming AGM, Dr Loh will cease to be a Director of the Company with effect from the Proposed Listing and the resolution for the re-election of Dr Loh to the Board to be tabled at the forthcoming AGM will not be proposed or seconded.

In making the above recommendation, the NC had considered the said 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 32 of this annual report.

Key information regarding the Directors' profiles, including directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments, are set out on pages 12 and 13 of this annual report. The interests of the Directors in the Company are set out in the Report of the Directors on pages 49 to 51 of this annual report.

Board Performance

The Board has implemented a process, which is carried out by the NC, to assess the performance and effectiveness of the Board. Currently, such assessment is focused mainly on the performance and effectiveness of the Board as a whole and on the proper functioning of the various Board committees and does not include a separate or specific assessment of the performance or contributions of individual Directors. This is because the necessity or efficacy of adopting a formal process for assessing the contribution by the Non-Executive Chairman and each individual Director to the effectiveness of the Board is mitigated by the relatively small size of the Board, although the NC and the Board may review this in the future as the Company and the Board becomes more mature and established in its business and corporate governance practices.

On an annual basis, each Director will assess and evaluate the effectiveness and performance of the Board and the various Board Committees based on the performance criteria and evaluation parameters recommended by the NC and adopted by the Board. The Chairman of the NC, in consultation with members the NC, would review the results of the assessment and evaluation and, where applicable or appropriate, follow up on the findings and/or issues arising therefrom and/or take or make recommendations to the Board on the appropriate actions to be taken in relation thereto.

The performance criteria and 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 performance criteria and evaluation parameters are generally not changed from year to year although the NC may from time to time review and consider if there may be circumstances which make it necessary, expedient or desirable for any of the performance criteria and/or evaluation parameters to be changed or modified, in which case it will make the relevant recommendations to the Board for consideration and adoption.

The NC also assesses or evaluates the performance and effectiveness of the Board and the various Board Committees by taking into consideration, *inter alia*, the level of attendance and participation of Directors at Board and Board Committee meetings, the effectiveness of discussions at such meetings and the ability of the Directors to discharge of their duties as Directors in relation to the affairs of the Group.

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 and other principal commitments[1]. The Code requires listed companies to fix the maximum number of board representations on other listed companies that their Directors may hold and to disclose this in their annual report. The Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director. The NC will instead focus on whether a Director has sufficient time to adequately discharge his duties to the Company. The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. Although some of the Directors have other board representations, the NC is satisfied that in FY2014, 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.

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

CORPORATE GOVERNANCE REPORT

The NC will take into consideration the results of the foregoing assessment and evaluation, where applicable or appropriate, *inter alia*, in making any recommendation in respect of the re-nomination of directors (if applicable), in proposing any new directors to be appointed to the Board or in seeking the resignation of any directors.

The NC had assessed the performance and effectiveness of the Board and the various Board committees in the manner as aforesaid for FY2014 and was of the view that the results were satisfactory.

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 nomination for re-election as a director.

Access To Information

The Company fully recognises the importance of providing the Board with complete, adequate and timely information prior to its meetings and when there are affairs and issues that require the Board's decision for the Board to make informed decisions to discharge their duties and responsibilities. As a general rule, the 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 board papers and related materials, background or explanatory information relating to matters to be brought before the Board and copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variances between the projections and actual results are also disclosed and explained.

The Board has separate and independent access to 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 as and when requested by the Board. The Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions. The Management shall provide the same in a timely manner.

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

The Company Secretary or its representative attends all the 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, the 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 Non-Executive Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and the Non-Executive Directors.

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 Non-Executive Independent 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 governed by written terms of reference under which it is responsible for, *inter alia*:

(a) reviewing and recommending to the Board, a general framework of remuneration for the Directors and key management personnel;

(b) reviewing and recommending annually to the Board, the specific remuneration packages for each Director as well as for the key management personnel;

(c) reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind;

(d) reviewing annually the remuneration of employees who are immediate family members of a Director or the Managing Director whose remuneration exceeds S$50,000 during the year; and

(e) reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service.

The RC's recommendations are submitted for endorsement by the entire Board.

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary and ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants. The expense of such services shall be borne by the Company.

In setting remuneration packages, the RC takes into account what is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management to successfully manage the Company, the performance of the Group, as well as individual Directors and key management, aligning their interests with those of shareholders and promote the long-term success of the Company. In its deliberations, the RC takes into account the risk policies of the Company, symmetry with risk outcomes and time horizon of risks as well as industry benchmarks and norms in compensation.

The Independent Directors and Non-Executive Director 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. 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. Each member of the RC shall abstain from voting on any resolutions and making recommendations or participating in any deliberations in respect of his remuneration packages.

CORPORATE GOVERNANCE REPORT

Based on the terms of their service contracts which were applicable for FY2014, the Executive Directors are entitled to (i) a basic monthly salary; (ii) an annual incentive bonus, which is dependent on the performance of the Company and the Group; and (iii) a discretionary bonus, to be recommended by the Remuneration Committee and approved by the Board.

Details of the Directors' remuneration in the financial year ended 31 March 2014 were set out below:

	Directors' Fee (S$)	Fixed Salary (S$)	Bonus (S$)	Benefits* (S$)	Total compensation (S$)
Executive Directors					
Dr Wang Xiaoning	–	424,408	40,000	23,581	487,989
Dr Cai Jungang	–	359,775	35,000	24,878	419,653
Non-Executive Directors					
Dr Loh Chang Kaan(1)	–	359,775	35,000	20,517	415,292
Non-Executive and Independent Directors					
Professor Yong Kwet Yew	102,000	–	–	–	102,000
Mr Lim Yeok Hua	102,000	–	–	–	102,000
Mr Aw Eng Hai	122,000	–	–	–	122,000

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

Note:

(1) The total compensation to Dr Loh Chang Kaan was in relation to his services to the Company as an Executive Director for the financial year ended 31 March 2014. On 20 June 2014, Dr Loh Chang Kaan was re-designated from an Executive Director to a Non-Executive Director.

There are no termination, retirement and post-employment benefits granted to the Directors, Managing Director and the top five key management personnel.

Details of the annual remuneration of the top five key executives who are not Directors or the Managing Director in the financial year ended 31 March 2014 were set out below:

	Fee (%)	Fixed Salary (%)	Bonus (%)	Benefits (%)	Total (%)
Below S$250,000					
Dr Lim Ken Chai	–	79.55	16.49	3.96	100
Teo Hock Heng	–	97.67	2.33	–	100
Dr Hong Sze Han	–	80.72	10.71	8.57	100
Priscilla Mui Siew Yun	–	81.82	10.49	7.69	100
Bi Xiling	–	80.50	11.08	8.42	100

The total remuneration paid to the top five key executives (who are not directors or the Managing Director) was S$875,000 in FY2014.

Ms Bi Xiling is the spouse of Dr Cai Jungang, an Executive Director of the Company. Her annual remuneration falls between S$100,000 and S$150,000.

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 Directors who are members of the RC and duly authorised by the Board to administer the Scheme and the Plan. As at the date of this Report, there are no outstanding share options granted to the participants of the Scheme. In FY2014, the Company did not grant any share options pursuant to the Scheme. As at the date of this Report, the Company has not granted any share awards pursuant to the Plan.

Subject to the absolute discretion of the committee administering the Scheme and the Plan in accordance with the relevant rules thereof (the "**Committee**") and compliance with the relevant provisions under the rules of the Scheme and/or the Plan (as applicable), (i) confirmed employees of the Group, including Directors of the Group who perform executive functions within the Group ("**Group Executive Directors**"); and (ii) Directors of the Group other than Group Executive Directors but including Independent Directors ("**Group Non-Executive Directors**"), shall be eligible to participate in the Scheme and the Plan. Controlling shareholder(s) and their associates who are employees of the Group (including Group Executive Directors and Group Non-Executive Directors) are also eligible to participate in the Scheme and the Plan, subject to compliance with all applicable laws and requirements of the SGX-ST and the rules of the Scheme and the Plan.

The Scheme and the Plan shall each continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date the Scheme and the Plan was adopted by the Company in the extraordinary general meeting dated 26 July 2010, subject to the respective terms of the Scheme and the Plan.

In administering the Scheme, the Committee shall, where applicable, take into account, *inter alia*, criteria such as rank, level of responsibility, past performance, years of service and potential for future development and potential contributions in determining the extent of participation in the Scheme of an eligible participant. The aggregate number of Shares over which the Committee may grant options on any date, when added to the number of Shares issued or issuable and/or transferred or transferable in respect of all options granted under the Scheme and any other share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) of the Company on the date immediately preceding the grant of an Option (or such other limit as the SGX-ST may determine from time to time).

Pursuant to the Plan, the Company may pay a percentage of a Group employee annual cash bonus payment in the form of Shares. The Plan contemplates the award of fully paid Shares when or after pre-determined performance targets are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Group. The value of Shares to be issued and allotted to such Group's employees is accordingly based on a pre-determined percentage of the value of the Group employee's annual bonus which is determined at the sole discretion of the Committee.

Further information on the Scheme and the Plan, as well as the respective terms, are set out in the Company's circular to shareholders dated 13 July 2010.

CORPORATE GOVERNANCE REPORT

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).

The Board has also taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Rules of Catalist, by establishing written policies where appropriate.

In presenting the quarterly 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, performance and prospects.

The Management currently provides the Board with management accounts of the Group and such explanation and information to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects on a timely basis.

Audit Committee

The AC comprises three (3) Directors, all of whom are Non-Executive Independent 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 AC is governed by written terms of reference under which it is responsible for, *inter alia*:

(a) reviewing the audit plan of the external auditors, including the nature and scope of the audit, before the audit commences;

(b) reviewing the results of external audit;

(c) reviewing the co-operation given by the Company's officers to the external auditors;

(d) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to the Company's financial performance;

(e) reviewing the independence of the external auditors annually and where the external auditors also provide a substantial volume of non-audit services to the Company, keep the nature and extent of such service under review, seeking to maintain objectivity;

(f) making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of the engagement of the external auditors;

(g) reviewing the policy and arrangements by which staff of the Company and other persons (if applicable) may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters (whistle-blowing policy);

(h) reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the Company's internal controls. Review of the Company's internal controls can be carried out with the assistance of externally appointed professionals;

(i) monitoring the establishment, appointments, staffing, qualifications and experience of the Company's internal audit function;

(j) reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function;

(k) to discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary); and

(l) review interested persons transactions falling within the scope of Chapter 9 of the Rules of Catalist.

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 and internal auditors, in each case, without the presence of the Management to review matters that might be raised privately at least once annually. 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. Each member of the AC will abstain from voting and deliberating on that particular transaction in respect of matters in which the member has an interest.

The AC had met with the external and internal auditors without the presence of the Management in FY2014.

The AC had reviewed the volume and nature of non-audit services to the Group by the external auditors (details are set out on page 45 of this annual report), 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 at the forthcoming AGM.

The Company has in place a Whistleblowing Policy which serves to encourage and provide a channel for employees to, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Under the policy, when raising a concern, the relevant individual should always endeavour to put in writing, all complete, accurate, specific and detailed information relating to the matter being raised. The AC, which comprises Directors that are independent of the Management, will be available to address any area of concern or complaints raised or received. The AC shall (if appropriate) cause the Company to review and investigate the complaints and report its findings to it, together with any recommendation as to any remedial, disciplinary or other action to be taken. The objective of such arrangement is to ensure independent investigation of such matters and for the appropriate follow-up action(s) and resolution. In FY2014, there were no complaints, concerns or issues received.

The external auditors provides regular updates and periodic briefings to the Audit Committee on changes or amendments to accounting standards to enable the members of the Audit Committee to keep abreast of such changes and their corresponding impact on the financial statements, if any.

Risk Management and Internal Controls

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 disclosed in the audited financial statements.

CORPORATE GOVERNANCE REPORT

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, the Management has had regards 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.

The Company's external auditors during their statutory audit will consider the system of internal controls relevant to the Company's preparation of financials statements and internal control weaknesses noted during their audit are reported to the AC. The Board and AC also work with the external auditors on their recommendations and institute and execute relevant controls with a view to managing business risks.

The Managing Director and Financial Controller have provided a letter of assurance to the AC confirming, *inter alia*, that:–

(i) the financial statements of the Company and the Group for FY2014 have been prepared in accordance with the provisions of the Companies Act, Cap. 50 of Singapore ("**Act**") and Singapore Financial Reporting Standards so as to give a true and fair view of the operations and finances of the Company and the Group for FY2014;

(ii) the accounting and other records required by the Act to be kept by the Company have been maintained in accordance with the provisions of the Act; and

(iii) the Company and the Group have put in place and will continue to maintain an effective system of risk management and internal controls (addressing financial, operational, compliance and information technology risks).

Based on the internal controls established and maintained by the Management, work performed by the external auditors and the internal auditors and reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, are of the opinion that the Group's system of risk management and internal controls (addressing financial, operational, compliance and information technology risks) were adequate as at 31 March 2014.

Internal Audit

The Company is aware of the need to establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function has been outsourced to Robert Tan & Co., a corporate member of the Institute of Internal Auditors Singapore.

The scope of the internal audit includes:

– 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 AC Chairman on audit matters and to the Managing Director on administrative matters.

The AC had reviewed with the internal auditor their audit plan for the financial year ended 31 March 2014. The AC is satisfied that the internal audit function is staffed with persons with the relevant qualification and experience, has been adequately resourced and has appropriate standing within the Group. It will review annually the adequacy and effectiveness of the internal audit function.

Interested Person Transactions

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.

There were no interested person transactions entered into during the financial year under review.

Audit and Non-audit fees

The amounts paid in respect of audit services and non-audit services rendered by the external auditors, BDO LLP, to the Group in the financial year ended 31 March 2014 were as follows:

Audit Fees	S$185,500
Non-audit services in relation to tax services	S$50,000

The Company is in compliance with Rules 712 and 715 of the Rules of Catalist in relation to its external auditors.

Non-sponsorship fees

The nature of non-sponsor services that were rendered by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., to the Group and their related fees in the financial year ended 31 March 2014 were as follows:

Financial advisory services in relation to the proposed spin-off and proposed listing of the Group's Marble Resource Business	S$110,000

Material Contracts

Save for 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 2014 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

Use of Proceeds

Update on use of proceeds from exercise of warrants

As at the date of this Report, the total proceeds raised from the exercise of warrants issued by the Company pursuant to the Company's rights issue of warrants in 2010, which has since lapsed and ceased to be valid on 8 April 2013, had been fully utilised by the Group according to the intended uses as follows:

	Allocated $'000	Utilised $'000	Balance $'000
Expansion of the Group's water-related business in PRC	6,656	6,656	–
Total	6,656	6,656	–

Update on use of proceeds from the issuance of the Convertible Bonds

As at the date of this Report, the proceeds raised from the issuance of convertible bonds of an aggregate principal amount of S$15 million pursuant to the convertible bond agreement dated 16 November 2012 entered into between the Company, Terratech Resources Pte. Ltd., Luminor Capital Pte. Ltd. (the manager of Luminor Pacific Fund 1 Ltd.) and Kwan Chee Seng had been fully utilised by the Group according to the intended uses as follows:

	Allocated $'000	Utilised $'000	Balance $'000
Costs and expenses to be incurred in connection with the JORC (Joint Ore Reserves Committee) report on the Kelantan Marble Quarry	500	500	–
Professional costs and expenses to be incurred in connection with the proposed spin-off listing of Terratech on Catalist	4,000	4,000	–
Capital expenditure for the Marble Resource business	1,500	1,500	–
Working capital for the Marble Resource business(1)	9,000	9,000	–
Total	15,000	15,000	–

Note:

(1) The amount allocated for the Group's marble resource business had been utilised mainly for the payment of salary and wages, payment to suppliers and subcontractors and payment of success fee relating to issuance of convertible bonds.

Update on use of net proceeds from the placement of shares in August 2013 ("New Share Placement")

As at the date of this Report, the proceeds raised from the New Share Placement had been fully utilised by the Group according to the intended uses as follows:

	Allocated $'000	**Utilised $'000**	**Balance $'000**
To fund potential acquisitions, investments and business expansion plans in connection with the Group's water-related business	9,073	9,073	–
Working capital for the Group's water-related business	9,073	9,073	–
Total	18,146	18,146	–

Note:

(1) The amount allocated for the working capital for the water-related business purposes had been utilised mainly for the payment of salary and wages and purchase of raw materials for membrane and membrane related products.

SHAREHOLDER RIGHTS & RESPONSIBILITIES

Shareholders' Rights and Conduct of Shareholder Meetings

The Board is aware of its obligations to shareholders in providing information of changes in the Company or its business which will materially affect the price or value of the Company's shares.

The Company seeks to ensure that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders.

The Articles of Association of the Company allows 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.

The 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.

At the forthcoming AGM, the Company will put all resolutions to vote by poll so as to better reflect shareholders' shareholding interest and ensure greater transparency.

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 report that are issued to all shareholders within the mandatory period, quarterly and full year financial statements, notice of and explanatory memoranda for annual general meeting and extraordinary general meetings and announcements through SGXNET.

The Board endeavours to establish and maintain regular dialogue with shareholders, to gather views or inputs, and address shareholders' concerns. To that extent, the Company has undertaken regularly analyst briefings to provide market updates on the Company's business. The Company had also held its last AGM in July 2013 and two (2) extraordinary general meetings in March 2014 and June 2014 where shareholders attended and shared their views and raised queries which were addressed by the Board.

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 Company does not have a fixed dividend policy at present. The declaration and payment of dividends by the Company from time to time is subject to many factors, including but not limited to, the Company's results of operations, cash flows and financial position, the Company's expansion requirements and working capital requirements, dividend payment by the Company's subsidiaries and the Company's future growth and prospects. The Company did not declare dividends to shareholders for FY2014 as the Group reported a net loss after tax of S$7.63 million for FY2014 and continues to operate under challenging conditions for its water and resource business segments. Moving forward, the declaration and payment of dividends will be determined at the sole discretion of the Company, after assessing the factors as aforesaid.

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 (i) two weeks before the announcement of the Company's quarterly financial results announcement; and (ii) one month before the announcement of the Company's full year financial results announcement, 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 2014 and the statement of financial position of the Company as at 31 March 2014 and the statement of changes in equity of the Company for the financial year ended 31 March 2014.

1. Directors

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

Professor Yong Kwet Yew
Dr Wang Xiaoning
Dr Cai Jungang
Dr Loh Chang Kaan
Mr Lim Yeok Hua
Mr 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 except as disclosed in paragraph 3 and 5 below.

3. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1.4.2013	**Balance at 31.3.2014**	**Balance at 1.4.2013**	**Balance at 31.3.2014**
	Number of ordinary shares			
The Company				
Professor Yong Kwet Yew	500,000	800,000	–	–
Dr Wang Xiaoning[(1)]	–	–	195,040,777	310,081,554
Dr Cai Jungang[(2)]	–	–	44,000	–
Mr Lim Yeok Hua	625,000	–	–	–
Mr Aw Eng Hai	62,500	765,000	–	–

REPORT OF THE DIRECTORS

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

Notes:

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

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

Warrants issued at 12 April 2010

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1.4.2013	**Balance at 31.3.2014**	**Balance at 1.4.2013**	**Balance at 31.3.2014**
	Number of warrants to subscribe for ordinary shares			
The Company				
Dr Wang Xiaoning[(1)]	–	–	7,501,500	–
Dr Cai Jungang[(2)]	–	–	11,000	–

Bonus warrants issued at 12 March 2014

	Number of bonus warrants to subscribe for ordinary shares			
The Company				
Dr Wang Xiaoning[(1)]	–	–	–	155,040,777
Professor Yong Kwet Yew	–	400,000	–	–
Mr Aw Eng Hai	–	382,500	–	–

Notes:

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

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

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 2014 in the shares and warrants of the Company have not changed from those disclosed as at 31 March 2014.

4. Directors' contractual benefits

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit which is required to be 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.

5. Share options

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

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

Other information relating to the Scheme is set out below:

– The exercise price of the options can be set at a price equal to the market price or at a discount to the market price not exceeding 20% of the market price;

– The market price is determined based on the average of the last dealt prices of the ordinary shares of the Company on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the five consecutive market days immediately preceding the date of grant (rounded to the nearest cent);

– The options can be exercised after 1 year from the date of grant but before 10 years from the date of grant and before 5 years from the date of grant in respect of options granted to Group Non-Executive Directors (except for options with the exercise price set at a discount to market price, where the options can be exercised after 2 years from the date of grant); and

– All options are settled by physical delivery of shares.

The aggregate number of shares over which the Committee may grant options on any date, when added to the number of shares issued or issuable and/or transferred or transferable in respect of all options granted under the Scheme and any other share schemes of the Company, shall not exceed 15% of the issued shares (excluding treasury shares) of the Company on the date immediately preceding the grant of an option (or such other limit as the SGX-ST may determine from time to time).

REPORT OF THE DIRECTORS

5. Share options (Continued)

At the end of the financial year, details of the options granted under the Scheme are as follows[(1)]:

Name of participant	Date of grant	Exercise period	Exercise price	Balance at 1.4.2013	Granted during financial year	Options exercised	Options not accepted/ forfeited	Balance at 31.3.2014
			$					
Directors								
Professor Yong Kwet Yew	7 July 2011	8 July 2012 to 6 July 2016	0.30	160,000	–	160,000	–	–
	7 July 2011	8 July 2013 to 6 July 2016	0.24	160,000	–	160,000	–	–
Mr Lim Yeok Hua	7 July 2011	8 July 2012 to 6 July 2016	0.30	160,000	–	160,000	–	–
	7 July 2011	8 July 2013 to 6 July 2016	0.24	160,000	–	160,000	–	–
Mr Aw Eng Hai	7 July 2011	8 July 2012 to 6 July 2016	0.30	160,000	–	160,000	–	–
	7 July 2011	8 July 2013 to 6 July 2016	0.24	160,000	–	160,000	–	–
Dr Wang Xiaoning	7 July 2011	8 July 2012 to 6 July 2021	0.30	160,000	–	160,000	–	–
	7 July 2011	8 July 2013 to 6 July 2021	0.24	160,000	–	160,000	–	–
Dr Cai Jungang	7 July 2011	8 July 2012 to 6 July 2021	0.30	160,000	–	160,000	–	–
	7 July 2011	8 July 2013 to 6 July 2021	0.24	160,000	–	160,000	–	–
Dr Loh Chang Kaan	7 July 2011	8 July 2012 to 6 July 2021	0.30	160,000	–	160,000	–	–
	7 July 2011	8 July 2013 to 6 July 2021	0.24	160,000	–	160,000	–	–
Employees	7 July 2011	8 July 2012 to 6 July 2021	0.30	1,760,000	–	1,740,000	20,000	–
	7 July 2011	8 July 2013 to 6 July 2021	0.24	1,760,000	–	1,740,000	20,000	–
				5,440,000	–	5,400,000	40,000	–

Notes:

(1) An aggregate of 5,880,000 options were granted during the financial year ended 31 March 2012, out of which: (i) 2,940,000 options were granted at the market price of $0.30 per share; and (ii) 2,940,000 options were granted at a 20% discount to the market price, being $0.24 per share, as detailed in the Company's announcement dated 7 July 2011.

5. Share options (Continued)

Save as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Dr Wang Xiaoning is a controlling shareholder of the Company as he holds directly or indirectly not less than 15% of the total number of issued shares in the Company.

Since the commencement of the Scheme, save for options granted to Dr Wang Xiaoning, Dr Cai Jungang, Dr Loh Chang Kaan, Professor Yong Kwet Yew, Mr Lim Yeok Hua and Mr Aw Eng Hai as disclosed above, no options have been granted to the Directors and the controlling shareholders of the Company or their associates and no participant under the Scheme has been granted 5% or more of the total number of options available under the Scheme.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

In the financial year ended 31 March 2012, there were 1,920,000 options granted to the Directors of the Company which were fully exercised during the current financial year.

There are no outstanding share options as at the end of the current financial year.

6. Performance shares

Apart from the Scheme, the Company has also implemented an employee share award scheme known as the “Tritech Group Performance Share Plan” (“Share Plan”), whereby eligible participants are granted awards by the Company conferring rights 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, group executive directors and group non-executive directors (including Independent Directors).

There was no Awards granted by the Company or its subsidiaries under 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.

On 8 April 2013, the rights to subscribe for new ordinary shares in the capital of the Company comprised in the warrants have expired.

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

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

Date of issue	Balance at 1.4.2013	Granted during the financial year	Exercised during the financial year	Expired during the financial year	Balance at 31.3.2014	Exercise price	Exercisable period
12.4.2010	39,947,755	–	7,426,500	32,521,255	–	$0.20	12.4.2010 to 12.4.2013
12.3.2014	–	386,574,593	–	–	386,574,593	$0.20	1.10.2014 to 30.9.2019

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.

REPORT OF THE DIRECTORS

8. Audit committee (Continued)

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 2014 and the statement of financial position of the Company as at 31 March 2014 and statement of changes in equity of the Company for the financial year ended 31 March 2014 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 its willingness to accept re-appointment.

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 715 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

On behalf of the Board of Directors

Dr Wang Xiaoning
Director

Dr Cai Jungang
Director

Singapore
9 July 2014

STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up 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 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

On behalf of the Board of Directors

Dr Wang Xiaoning	**Dr Cai Jungang**
Director	Director

Singapore
9 July 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Tritech Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 162, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2014, and the consolidated statement of comprehensive income, statements of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company 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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statement of financial position and to maintain accountability of assets.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 AUDITOR'S REPORT

TO THE MEMBERS OF TRITECH GROUP LIMITED

Report on the financial statements (Continued)

Opinion

In our opinion, the consolidated financial statements of the Group and the 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 2014 and the results, changes in equity and cash flows of the Group and the changes in the 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
Chartered Accountants

Singapore
9 July 2014

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	Group 2014 $	Group 2013 $ (Reclassified)	Company 2014 $	Company 2013 $
Non-current assets					
Property, plant and equipment	4	**52,761,789**	37,784,814	**1,126,913**	571,373
Investments in subsidiaries	5	**–**	–	**63,345,143**	59,637,400
Land use right	6	**8,073,736**	2,586,293	**–**	–
Mining right	7	**14,741,178**	15,232,554	**–**	–
Intangible assets	8	**4,792,276**	1,746,167	**–**	–
Prepayments	9	**393,813**	–	**–**	–
Trade and other receivables	11	**972,899**	1,005,691	**–**	–
		81,735,691	58,355,519	**64,472,056**	60,208,773
Current assets					
Inventories	10	**4,624,660**	1,436,674	**–**	–
Trade and other receivables	11	**12,017,019**	7,241,393	**17,895,521**	10,795,179
Amounts due from contract customers	12	**41,690,447**	35,141,450	**–**	–
Current income tax recoverable		**9,081**	18,250	**–**	–
Prepayments	9	**2,776,975**	1,881,398	**61,504**	60,395
Cash and cash equivalents	13	**20,904,246**	20,559,569	**9,103,531**	2,860,365
		82,022,428	66,278,734	**27,060,556**	13,715,939
Less:					
Current liabilities					
Trade and other payables	14	**15,852,994**	15,699,597	**3,816,424**	5,179,561
Amounts due to contract customers	12	**1,610,120**	780,710	**–**	–
Bank borrowings	15	**16,063,665**	11,898,091	**6,091,316**	5,824,608
Financial liabilities designated at fair value through profit or loss	16	**23,383,278**	17,119,113	**–**	–
Finance lease payables	17	**2,508,034**	2,728,800	**–**	–
Loan from a shareholder	18	**–**	2,000,000	**–**	2,000,000
Current income tax payable		**672,842**	102,639	**112,053**	50,860
		60,090,933	50,328,950	**10,019,793**	13,055,029
Net current assets		**21,931,495**	15,949,784	**17,040,763**	660,910
Non-current liabilities					
Bank borrowings	15	**(5,193,897)**	(6,099,628)	**(4,890,701)**	(6,099,628)
Finance lease payables	17	**(1,623,200)**	(2,927,477)	**–**	–
Deferred tax liabilities	19	**(7,709,482)**	(2,966,321)	**(96,353)**	–
		(14,526,579)	(11,993,426)	**(4,987,054)**	(6,099,628)
Net assets		**89,140,607**	62,311,877	**76,525,765**	54,770,055
Equity					
Share capital	20	**67,174,089**	44,712,753	**67,174,089**	44,712,753
Reserves	21	**21,966,518**	17,599,124	**9,351,676**	10,057,302
Total equity attributable to owners of the parent		**89,140,607**	62,311,877	**76,525,765**	54,770,055

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 $	2013 $ (Reclassified)
Revenue	22	**55,708,820**	50,958,307
Cost of sales		**(42,496,990)**	(35,647,704)
Gross profit		**13,211,830**	15,310,603
Other items of income			
Interest income		**52,191**	47,453
Other income	23	**8,838,936**	596,865
Other items of expenses			
Distribution expenses		**(906,869)**	(757,989)
Administrative expenses		**(13,560,032)**	(10,185,098)
Other expenses		**(13,248,900)**	(8,683,434)
Finance costs	24	**(2,136,208)**	(1,447,129)
Loss before income tax	25	**(7,749,052)**	(5,118,729)
Income tax credit	26	**122,849**	1,533,635
Loss for the financial year		**(7,626,203)**	(3,585,094)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**(90,000)**	(89,325)
Tax on items that are or may be reclassified subsequently to profit or loss		**–**	–
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains (net of tax)	21.4	**13,036,463**	–
Other comprehensive income for the financial year, net of tax		**12,946,463**	(89,325)
Total comprehensive income for the financial year		**5,320,260**	(3,674,419)
Loss attributable to owners of the parent		**(7,626,203)**	(3,585,094)
Total comprehensive income attributable to owners of the parent		**5,320,260**	(3,674,419)
Loss per share	27		
Basic		**(1.98) cents**	(1.23) cents
Diluted		**(1.98) cents**	(1.23) cents

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Group	Note	Share capital $	Other reserve $	Employee share option reserve $	Warrants reserve $	Asset revaluation reserve $	Foreign currency translation reserve account $	Retained earnings $	Total equity attributable to owners of the parent $
Balance at 1.4.2013		44,712,753	3,243,060	889,963	294,766	–	(260,700)	13,432,035	62,311,877
Loss for the financial year		–	–	–	–	–	–	(7,626,203)	(7,626,203)
Other comprehensive income									
Foreign currency differences on translation of foreign operations		–	–	–	–	–	(90,000)	–	(90,000)
Revaluation reserve	21	–	–	–	–	13,036,463	–	–	13,036,463
Total comprehensive income for the year		–	–	–	–	13,036,463	(90,000)	(7,626,203)	5,320,260
Contributions by and distributions to owners									
Issuance of ordinary shares pursuant to exercise of warrants		1,856,625	–	–	–	–	–	–	1,856,625
Issuance of ordinary shares pursuant to new shares placement		18,750,000	–	–	–	–	–	–	18,750,000
Issuance of ordinary shares pursuant to exercise of employee shares option		1,458,000	–	–	–	–	–	–	1,458,000
Grant of equity settled share options to employees		–	–	66,321	–	–	–	–	66,321
Share issue expenses		(622,476)	–	–	–	–	–	–	(622,476)
Transfer to share capital upon exercise of warrants		62,903	–	–	(62,903)	–	–	–	–
Transfer to retained earnings upon expiry of warrants		–	–	–	(231,863)	–	–	231,863	–
Transfer to share capital upon exercise of employee share option		956,284	–	(956,284)	–	–	–	–	–
Total transactions with owners		22,461,336	–	(889,963)	(294,766)	–	–	231,863	21,508,470
Balance at 31.3.2014		67,174,089	3,243,060	–	–	13,036,463	(350,700)	6,037,695	89,140,607

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Group	Note	Share capital $	Other reserve $	Employee share option reserve $	Warrants reserve $	Foreign currency translation reserve account $	Retained earnings $	Total equity attributable to owners of the parent $
Balance at 1.4.2012		41,967,325	3,243,060	550,601	373,694	(171,375)	17,747,365	63,710,670
Loss for the financial year		–	–	–	–	–	(3,585,094)	(3,585,094)
Other comprehensive income								
Foreign currency differences on translation of foreign operations		–	–	–	–	(89,325)	–	(89,325)
Total comprehensive income for the year		–	–	–	–	(89,325)	(3,585,094)	(3,674,419)
Contributions by and distributions to owners								
Issuance of ordinary shares pursuant to exercise of warrants		2,666,500	–	–	–	–	–	2,666,500
Grant of equity settled share options to employees		–	–	339,362	–	–	–	339,362
Transfer to share capital upon exercise of warrants		78,928	–	–	(78,928)	–	–	–
Dividends	28	–	–	–	–	–	(730,236)	(730,236)
Total transactions with owners		2,745,428	–	339,362	(78,928)	–	(730,236)	2,275,626
Balance at 31.3.2013		44,712,753	3,243,060	889,963	294,766	(260,700)	13,432,035	62,311,877

STATEMENTS OF CHANGES IN EQUITY

Company	Note	Share capital $	Other reserve $	Employee share option reserve $	Warrants reserve $	Retained earnings $	Asset revaluation reserve $	Total $
Balance at 1.4.2013		44,712,753	3,243,060	889,963	294,766	5,629,513	–	54,770,055
Loss for the year		–	–	–	–	(223,191)	–	(223,191)
Other comprehensive income								
Revaluation reserve	21	–	–	–	–	–	470,431	470,431
Total comprehensive income for the year		–	–	–	–	(223,191)	470,431	247,240
Contributions by and distributions to owners								
Issuance of ordinary shares pursuant to exercise of warrants		1,856,625	–	–	–	–	–	1,856,625
Issuance of ordinary shares pursuant to new shares placement		18,750,000	–	–	–	–	–	18,750,000
Issuance of ordinary shares pursuant to exercise of employee shares option		1,458,000	–	–	–	–	–	1,458,000
Grant of equity settled share options to employees		–	–	66,321	–	–	–	66,321
Share issue expenses		(622,476)	–	–	–	–	–	(622,476)
Transfer to share capital upon exercise of warrants		62,903	–	–	(62,903)	–	–	–
Transfer to retained earnings upon expiry of warrants		–	–	–	(231,863)	231,863	–	–
Transfer to share capital upon exercise of employee share option		956,284	–	(956,284)	–	–	–	–
Total transactions with owners		22,461,336	–	(889,963)	(294,766)	231,863	–	21,508,470
Balance at 31.3.2014		67,174,089	3,243,060	–	–	5,638,185	470,431	76,525,765

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Company	Note	Share capital $	Other reserve $	Employee share option reserve $	Warrants reserve $	Retained earnings $	Total $
Balance at 1.4.2012		41,967,325	3,243,060	550,601	373,694	6,884,492	53,019,172
Loss for the year, representing total comprehensive income for the financial year		–	–	–	–	(524,743)	(524,743)
Contributions by and distributions to owners							
Issuance of ordinary shares pursuant to exercise of warrants		2,666,500	–	–	–	–	2,666,500
Grant of equity settled share options to employees		–	–	339,362	–	–	339,362
Transfer to share capital upon exercise of warrants		78,928	–	–	(78,928)	–	–
Dividends	28	–	–	–	–	(730,236)	(730,236)
Total transactions with owners		2,745,428	–	339,362	(78,928)	(730,236)	2,275,626
Balance at 31.3.2013		44,712,753	3,243,060	889,963	294,766	5,629,513	54,770,055

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014	2013
		$	$
			(Reclassified)
Operating activities			
Loss before income tax		**(7,749,052)**	(5,118,729)
Adjustments for:			
Amortisation of intangible assets	8	**298,855**	104,855
Amortisation of mining rights	7	**491,376**	491,373
Amortisation of land use right	6	**57,059**	54,965
Written-down of inventories		**1,082,001**	–
Impairment losses of third parties trade receivables		**46,703**	29,253
Write back of third parties trade receivables		**(3,102)**	–
Depreciation of property, plant and equipment	4	**4,067,305**	3,123,490
Fair value loss on financial liabilities designated at FVTPL	16	**5,876,220**	2,119,113
Gain on bargain purchase	5	**(7,556,435)**	–
Gain on disposal of plant and equipment		**(233,965)**	(51,995)
Interest income		**(52,191)**	(47,453)
Interest expense		**2,093,340**	1,319,747
Property, plant and equipment written off		**87,609**	179,188
Employee share option expenses		**66,321**	339,362
Operating cash flows before working capital changes		**(1,427,956)**	2,543,169
Working capital changes:			
Inventories		**(1,725,064)**	(749,808)
Trade and other receivables		**(4,079,760)**	(8,083,435)
Prepayments		**(892,086)**	970,037
Trade and other payables		**(336,906)**	(114,713)
Cash absorbed by operations		**(8,461,772)**	(5,434,750)
Income taxes refunded/(paid)		**335,155**	(443,502)
Interest received		**52,191**	46,601
Net cash used in operating activities		**(8,074,426)**	(5,831,651)
Investing activities			
Purchase of property, plant and equipment	4	**(4,592,216)**	(7,564,761)
Acquisition of a subsidiary, net of cash acquired	5	**(1,735,464)**	–
Additions to intangible assets	8	**(48,001)**	(84,207)
Prepayment for land use right	9	**(352,338)**	–
Proceeds from disposal of plant and equipment		**208,651**	54,368
Net cash used in investing activities		**(6,519,368)**	(7,594,600)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 $	2013 $ (Reclassified)
Financing activities			
(Increase)/decrease in fixed deposit pledged		**(898,119)**	487,754
Proceeds from bank borrowings		**4,566,921**	13,474,000
Loan from ultimate holding company		**2,000,000**	9,090,000
Repayments of loan to ultimate holding company		**–**	(7,859,752)
Repayments of loan to related company		**(4,350,000)**	–
Repayments of bank borrowings		**(3,796,452)**	(9,451,426)
Repayments of finance lease obligations		**(2,941,320)**	(2,373,419)
Dividends paid		**–**	(730,236)
Repayment of shareholder loan		**(2,000,000)**	–
Proceeds from issuance of convertible bonds		**–**	15,000,000
Proceeds from options		**1,458,000**	–
Proceeds from exercise of warrants		**1,856,625**	2,666,500
Proceeds from issue of shares, net of expenses		**18,750,000**	–
Share issuance expenses		**(622,478)**	–
Interest paid		**(1,881,284)**	(899,059)
Net cash from financing activities		**12,141,893**	19,404,362
Net change in cash and cash equivalents		**(2,451,901)**	5,978,111
Cash and cash equivalents at beginning of financial year		**14,020,523**	8,079,009
Currency translation differences		**34,014**	(36,597)
Cash and cash equivalents at end of financial year	13	**11,602,636**	14,020,523

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

1. General corporate information

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

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

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

As at 31 March 2013, the Company's immediate and ultimate holding company is Tritech International Holdings Pte Ltd, incorporated in Singapore. With effect from 2 September 2013, Tritech International Holdings Pte Ltd has ceased to be the immediate and ultimate holding company.

The consolidated statement of financial position of the Group and statement of financial position and statement of changes in equity of the Company as at 31 March 2014, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended were authorised for issue in accordance with a Directors' resolution dated 9 July 2014.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (FRS) including related Interpretations of FRS (INT FRS) and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior years, except as detailed below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. **Summary of significant accounting policies** (Continued)

2.1 **Basis of preparation of financial statements** (Continued)

Amendments to FRS 1 – *Presentation of Items of Other Comprehensive Income*

The amendments to FRS 1 require that items presented in other comprehensive income must be grouped separately into those that may be reclassified subsequently to profit or loss and those that will never be reclassified. As the amendments only affect the presentation of items recognised in other comprehensive income, there is no impact on the Group's financial position or financial performance on initial adoption of this standard on 1 April 2013.

Amendments to FRS 1 – *Presentation of Financial Statements*

This amendment arose from Annual Improvements to FRSs issued by the Accounting Standards Council in August 2012. The amendment clarified that when an entity presents a statement of financial position at the beginning of the preceding period, it need not present the related notes to that statement of financial position if that statement of financial position was required as a result of either:

- retrospective application of an accounting policy, or
- retrospective restatement or reclassification of items in the financial statements

However, when an entity chooses to present FRS-compliant comparative financial statements in addition to the minimum comparatives required, the entity shall present related note information for those additional statements.

FRS 113 – *Fair Value Measurement*

FRS 113 provides a single source of guidance on fair value measurement and fair value disclosure requirements when fair value measurement and/or disclosure is required by other FRSs. It also provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope.

The adoption of FRS 113 does not have any material impact on any of the Group's accounting policies. The Group has included the additional required disclosures in the financial statements. In line with the transitional requirements, FRS 113 has been adopted prospectively from 1 April 2013 and therefore comparative information has not been presented for the new disclosure requirements.

Amendments to FRS 36 – *Recoverable Amount Disclosures for Non-financial Assets*

The consequential amendments of FRS 113 include amendments to FRS 36 that require the disclosure of information about the recoverable amount of any CGU for which the carrying amount of goodwill or intangible assets with an indefinite useful life is significant compared to the total carrying amount of goodwill or intangible assets with an indefinite useful life. As this was an unintended consequence, Amendments to FRS 36, effective for annual periods beginning on or after 1 January 2014, was issued to remove this requirement and instead require disclosure about recoverable amount only when there is a significant impairment or reversal of an impairment, as well as additional disclosure when recoverable amount is based on fair value less costs of disposal. The Group has early adopted the amendments to FRS 36 from 1 April 2013. There is no impact on the Group's financial position or financial performance.

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

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Group were issued but not yet effective:

			Effective date (annual periods beginning on or after)
FRS 19 (Amendments)	:	*Defined Benefit Plans: Employee Contributions*	1 July 2014
FRS 27 (Revised)	:	*Separate Financial Statements*	1 January 2014
FRS 32 (Amendments)	:	*Presentation – Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 39 (Amendments)	:	*Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
FRS 110	:	*Consolidated Financial Statements*	1 January 2014
FRS 112	:	*Disclosure of Interests in Other Entities*	1 January 2014
FRS 110, FRS 112 and FRS 27	:	*Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities*	1 January 2014
Improvements to FRSs 2014			1 July 2014
FRS 16 (Amendments)	:	*Property, Plant and Equipment*	
FRS 24 (Amendments)	:	*Related Party Disclosures*	
FRS 38 (Amendments)	:	*Intangible Assets*	
FRS 102 (Amendments)	:	*Share-Based Payments*	
FRS 103 (Amendments)	:	*Business Combination*	
FRS 108 (Amendments)	:	*Operating Segments*	
FRS 113 (Amendments)	:	*Fair Value Measurement*	

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

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 (Continued)

FRS 32 (Amendments) – *Presentation – Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 32 clarify the guidance on criteria that an entity currently has a legally enforceable right to set-off financial assets and financial liabilities; and criteria that an entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. These changes will take effect from the financial year beginning on 1 April 2014.

The Group and Company does not expect the adoption of the amendments to result in changes to the situations in which financial assets and liabilities are currently offset and hence does not expect any impact on its financial position or financial performance.

FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12, Consolidation – Special Purpose Entities. FRS 110 defines the principle of control and establishes a new control model as the basis for determining which entities are consolidated in the consolidated financial statements. FRS 27 remains as a standard applicable only to separate financial statements. On adoption of FRS 110 management will be required to exercise more judgement than under the current requirements of FRS 27 in order to determine which entities are controlled by the Group. These changes will take effect from the financial year beginning on 1 April 2014 with full retrospective application.

The implementation of FRS 110 is not expected to result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements under FRS 27 on other consolidation related matters are carried forward and unchanged. FRS 110 is applied retrospectively subject to certain transitional provisions.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 is a new standard which prescribes comprehensive disclosure requirements for all types of interests in other entities. It requires an entity to disclose information that helps users to assess the nature and financial effects of relationships with subsidiaries, associates, joint arrangements and unconsolidated structured entities. This new standard is likely to result in more extensive disclosures in the financial statements, however, there will be no impact on the financial position or financial performance of the Group on initial adoption of the standard in the financial year beginning on 1 April 2014.

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies

Change in valuation of property, plant and equipment (for leasehold properties) and land use right from cost model to the revaluation model

On 31 March 2014, the Group has changed its accounting policy with respect to the subsequent measurement of leasehold properties and land use right from cost model to the revaluation model. Under the revaluation model, the carrying amounts of leasehold properties and land use right increase as a result of revaluation surplus, the revaluation surplus is recognised in other comprehensive income and accumulated in equity under the heading of asset revaluation reserve. The increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

However, if the carrying amounts of the leasehold properties and land use right decreased as a result revaluation, the decrease is recognised in profit or loss. The decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that land and buildings. The decrease recognised in other comprehensive income reduced the amount accumulated in equity under the heading of asset revaluation reserve.

Leasehold properties are revalued by independent professional valuers with sufficient regularity such that the carrying amounts do not differ materiality from those which would be determined using fair values at the end of the financial year. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

This change in accounting policy was applied prospectively in accordance with the standards and the following tables summarises the effects on the statements of financial position and the consolidated statement of comprehensive income upon adopting the new accounting policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

The effects of the change in 2014 statement of financial position are as follows:

Group	Leasehold properties $	Land use right $	Deferred tax liabilities $	Asset revaluation reserve $
Balance before revaluation	17,106,646	2,529,234	–	–
Gain on revaluation	11,776,992	5,544,502	(4,285,031)	13,036,463
At 31 March 2014	**28,883,638**	**8,073,736**	**(4,285,031)**	**13,036,463**

Company	Leasehold properties $	Deferred tax liabilities $	Asset revaluation reserve $
Balance before revaluation	559,216	–	–
Gain on revaluation	566,784	(96,353)	470,431
At 31 March 2014	**1,126,000**	**(96,353)**	**470,431**

The effect on other comprehensive income was as follows:

	Group $
Gain on revaluation	17,321,494
Deferred tax liabilities	(4,285,031)
Gain on revaluation, net of tax	13,036,463

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Company has the power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, so as to obtained benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases, as appropriate.

2. **Summary of significant accounting policies** (Continued)

2.3 **Basis of consolidation** (Continued)

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 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.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation 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.

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

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. **Summary of significant accounting policies** (Continued)

2.4 Business combinations

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 share capital is recognised directly to equity.

Acquisition under acquisition 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.

Business combinations from 1 April 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for 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. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as financial liability is remeasured subsequently to fair value through profit or loss.

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.

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.

2. **Summary of significant accounting policies** (Continued)

2.4 **Business combinations** (Continued)

Business combinations from 1 April 2010 (Continued)

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 and contingent liabilities assumed.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.4 Business combinations (Continued)

Business combinations before 1 April 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.

2.5 Intangible assets

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred (see Note 2.4), the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill on acquisition of subsidiaries prior to 1 April 2010 represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2. Summary of significant accounting policies (Continued)

2.5 Intangible assets (Continued)

Goodwill (Continued)

Goodwill on associates is included in the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Transferable club membership

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

Internally-generated intangible assets-development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately, over a useful life of 3-20 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at the end of each financial year. The effects of any revisions are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 customer relationship, intellectual property right and licences with finite useful life are amortised on a straight-line method over their estimated useful lives as follows:

	Years
Customer relationship	10
Intellectual property right	20
Licences	8.5

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful lives 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. Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment for purposes other than to produce inventories.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Leasehold properties are subsequently stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Leasehold properties are revalued by independent professional valuers with sufficient regularity such that the carrying amounts do not differ materially from those which would be determined using fair values at the end of the financial year. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

2. Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment (Continued)

Any revaluation increase arising from the revaluation leasehold properties is recognised in other comprehensive income and credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such leasehold properties is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

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 properties	37 – 67
Motor vehicles	5 – 6
Furniture, fittings and fixtures	5 – 10
Machinery, instrumentation and tools	4 – 10
Office equipment	3 – 10
Renovation	5 – 10
Mining infrastructure	33

The residual values, estimated useful lives and depreciation method are reviewed and adjusted at appropriate, at the end of each financial year 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to the asset is transferred to retained earnings directly.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.7 Exploration and evaluation costs

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

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

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

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

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

2.8 Stripping activities

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

(a) it is probable that the future economic benefit (improved access to the marble reserves) associated with the stripping activity will flow to the Group;
(b) the Group can identify the component of the ore body for which access has been improved; and
(c) the costs relating to the stripping activity associated with that component can be measured reliably.

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

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

2. Summary of significant accounting policies (Continued)

2.9 Land use right

Land use right, on which the Group's PRC factory was built, is stated at its revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. The land use right is transferable and amortised on a straight-line basis over the lease term of 50 years.

2.10 Mining right

Mining right is initially measured at cost. Following initial recognition, mining right is measured at cost less accumulated amortisation and accumulated impairment losses. Mining right includes the cost of sub-lease of the limestone quarry. The mining right is amortised on a straight-line basis over the lease term of 33 years.

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

2.11 Impairment of non-financial assets

At the end of the financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.12 Inventories

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

2.13 Financial instruments

Financial assets and financial liabilities are recognised on the Group's and the Company's statement of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. 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.

Financial assets

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's and Company's loan and receivables in the statement of financial position comprise trade and other receivables, amount due from contract customers and cash and cash equivalents.

2. **Summary of significant accounting policies** (Continued)

2.13 **Financial instruments** (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment 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 amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are 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 through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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 its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

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

All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, net of direct attributable transaction cost.

The Group designates its convertible bonds at FVTPL, and trade and other payables, loans and borrowings, and financial guarantee contracts as other financial liabilities.

The subsequent measurement of financial liabilities depend on their classification as follows:

Financial liabilities designated at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as FVTPL if the financial liability is either held for trading, including derivatives not designated and effective as a hedging instrument; or it is designated as such upon initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- On initial recognition, the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contact containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Financial liabilities designated at fair value through profit or loss ("FVTPL") (Continued)

Convertible bonds

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

Interest expense on financial liabilities designated at FVTPL, is included in finance cost in Note 24.

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

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest rate method, with interest expense recognised on an effective yield basis.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries. These guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs in the Company's statement of financial position and subsequently at the higher of the amount of the obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less cumulative amortisation in accordance with FRS 18 *Revenue*.

Intra-group transactions are eliminated on consolidation.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit and loss.

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. Summary of significant accounting policies (Continued)

2.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances, fixed deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the consolidated statement of cash flows, cash and cash equivalents also includes bank overdrafts and excludes any pledged deposits. In the statement of financial position, bank overdrafts are presented within borrowings under current liabilities.

2.15 Construction contracts

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 financial year (percentage-of-completion method), except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. The Group measures stage of completion based on the proportion of contract costs incurred to date compared to expected total contract costs.

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. Contract costs are recognised as and when it is incurred. 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 financial year, 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 on the face of the statement of financial position as “Amounts due from contract customers”. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as “Amounts due to contract customers”.

Progress billings not yet paid by customers and retentions are included within “trade and other receivables”. Advances received are included within “Trade and other payables”.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

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 rebates, discounts and sales related taxes.

Sales of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and it is probable that the agreed consideration will be received. Normally these criteria are considered to be met when the goods are delivered to and accepted by the buyer.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract provided the amount of revenue, stage of completion, and associated cost can be measured reliably and it is probable that the consideration will be received. The stage of completion is determined based on the proportion of contract costs incurred for work performed up to the end of the financial year over the estimated total contract costs in accordance with the Group's accounting policy on construction contracts (Note 2.15).

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

Interest income is accrued on a time-proportion basis by reference to the principal outstanding using the effective interest method.

2.17 Government 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.

The Group recognises the amounts received at their values as "other income" in the month of receipt of these grants from the governments.

2. **Summary of significant accounting policies** (Continued)

2.18 Leases

When the Group is the lessee of finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Note 2.20).

When the Group is the lessor of an operating lease

Assets leased out under operating leases are included in the property, 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

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.19 Employee benefits

Equity-settled transactions

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

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 fully paid ordinary shares to key senior management and senior executives, when and after pre-determined performance or service conditions are accomplished.

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 plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are charged as an employee benefit expense in profit or loss in the periods during which the related services are rendered by the employees.

2. Summary of significant accounting policies (Continued)

2.19 Employee benefits (Continued)

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowings of funds.

2.21 Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and the subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.21 Tax (Continued)

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on 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.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Sales tax

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

- when the sales tax that is incurred on purchase of assets or services in not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

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

2. Summary of significant accounting policies (Continued)

2.22 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign exchange reserve.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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 recorded 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

2. Summary of significant accounting policies (Continued)

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.26 Contingencies

A contingent liability is:

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

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

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

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

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

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

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

These 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.

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.

(i) Impairment of investments in subsidiaries and financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 in 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. The carrying amounts of investment in subsidiaries and financial assets are disclosed in Note 5 and Note 33.3 to the financial statements respectively.

(ii) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumption about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.1 to the financial statements.

(iii) 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 and Company's net current income tax payable as at 31 March 2014 were $672,842 (2013: $102,639) and $112,053 (2013: $50,860) respectively and the Group's and Company's net deferred tax liabilities as at 31 March 2014 were $7,709,482 (2013: $2,966,320) and $96,353 (2013: Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

3.1 Critical judgements in applying the accounting policies (Continued)

(iv) Recognition of development costs

The Group follows the recognition criteria as set out in FRS 38 Intangible Assets in determining whether development expenditure can be recognised as development costs. This determination requires significant judgement as the Group available resources to complete the development work and if the asset will generate future economic benefits. The carrying amount of development expenditure are disclosed in Note 8 to the financial statements.

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) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of property, plant and equipment to be within 3 to 67 years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 March 2014 were $52,761,789 (2013: $37,784,814) and $1,126,913 (2013: $571,373) 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 2014 was $4,792,276 (2013: $1,746,167).

(iii) Allowance for trade and other receivables

The management establishes allowance for impairment losses of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2014 were $12,989,918 (2013: $8,247,084) and $17,895,521 (2013: $10,795,179) respectively.

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Inventory valuation method

Inventory is valued at the lower of actual cost and net realisable value. Cost is determined primarily using the first-in, first-out method. Market price is generally the merchandise's selling price quoted from the market of similar items. Management reviews the Group's inventory level in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demands levels, technological development and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories was $4,624,660 (2013: $1,436,674).

(v) Construction contracts

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimate total costs for the contract.

Significant assumptions are used to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the knowledge of project engineers.

The carrying amounts of assets and liabilities arising from construction contracts at the end of each financial year are disclosed in Note 12 to the financial statements.

If the revenue on uncompleted contracts as at 31 March had been higher/lower by 1% from management's estimates, the Group's loss would have been lower/higher by $1,781,930 (2013: $1,460,451).

If the contract costs of uncompleted contracts to be incurred had been higher/lower by 1% from management's estimates, the Group's loss would have been higher/lower by $1,517,772 (2013: $1,167,622).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

3.2 Key sources of estimation uncertainty (Continued)

(vi) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's non-financial asset and financial liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are ("the fair value hierarchy"):

– Level 1: Quoted prices in active markets for identical items (unadjusted)
– Level 2: Observable direct or indirect inputs other than level 1 inputs
– Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value on a recurring basis:

– Property, plant and equipment- leasehold properties (Note 4)
– Land use right (Note 6)
– Financial liabilities designated at fair value through profit or loss (Note 16)

For more detailed information in relation to the fair value measurement of the items above including the carrying amounts and the estimation uncertainty involved, please refer to Note 33.5.

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

3.2 Key sources of estimation uncertainty (Continued)

(vii) Depreciation of mining infrastructure

The amounts recorded for depreciation and the recovery of the carrying value of mining infrastructure depends on the estimates of proven and probable reserves and the remaining life of the contract period. There are numerous uncertainties inherent in the estimation of reserves and cash flows, including many factors beyond the Group's control. Evaluation of reserves and cash flows includes a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices, future operating costs and government levies that may be imposed over the producing life of the reserves. Many of these assumptions are subject to change and are beyond the Group's control. The determination of proven and probable reserves has a significant impact on future cash flows which may affect the production level and hence future sales.

The Group currently depreciates mining infrastructure using the units of production method against management's estimates of the proven and probable recoverable reserves. Changes in the proven and probable reserves could impact future depreciation charges. Accordingly, there may be material adjustments made to the carrying amount of the respective assets. As at 31 March 2014, the carrying amount of the mining infrastructure is $1,037,620 (2013: $1,002,606) (Note 4). The depreciation charge for the financial year ended 31 March 2014 is $35,162 (2013: $31,755) (Note 4).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

4. Property, plant and equipment

Group	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Construction in progress $	Mining infrastructure $	Total $
2014									
Cost or valuation									
Balance at 1 April 2013									
Cost	15,112,808	1,858,410	482,048	33,179,726	1,735,598	554,934	165,020	1,058,159	54,146,703
Additions	1,209,269	339,069	71,454	3,517,197	435,575	55,325	278,579	102,025	6,008,493
Acquisition of a subsidiary (Note 5)	1,204,614	111,914	–	22,940	25,724	–	–	–	1,365,192
Disposals	–	(26,000)	–	(180,477)	–	–	–	–	(206,477)
Written off	–	–	(29,496)	(190,006)	(509,393)	–	–	–	(728,895)
Currency translation differences	–	(8,139)	(1,542)	105,262	921	–	(9,611)	(34,127)	52,764
Revaluation adjustment	11,356,947	–	–	–	–	–	–	–	11,356,947
Balance at 31 March 2014	28,883,638	2,275,254	522,464	36,454,642	1,688,425	610,259	433,988	1,126,057	71,994,727
Representing:									
Cost	–	2,275,254	522,464	36,454,642	1,688,425	610,259	433,988	1,126,057	43,111,089
Valuation	28,883,638	–	–	–	–	–	–	–	28,883,638
	28,883,638	2,275,254	522,464	36,454,642	1,688,425	610,259	433,988	1,126,057	71,994,727
Accumulated depreciation									
Balance at 1 April 2013	129,661	904,354	212,058	13,620,015	1,097,730	342,518	–	55,553	16,361,889
Depreciation	287,511	371,771	58,134	3,010,048	240,847	63,832	–	35,162	4,067,305
Disposals	–	(15,888)	–	(125,903)	–	–	–	–	(141,791)
Written off	–	–	(29,496)	(103,843)	(507,947)	–	–	–	(641,286)
Currency translation differences	2,873	(890)	(320)	5,080	2,401	–	–	(2,278)	6,866
Revaluation adjustments	(420,045)	–	–	–	–	–	–	–	(420,045)
Balance at 31 March 2014	–	1,259,347	240,376	16,405,397	833,031	406,350	–	88,437	19,232,938
Net carrying amount									
At 31 March 2014	28,883,638	1,015,907	282,088	20,049,245	855,394	203,909	433,988	1,037,620	52,761,789

4. Property, plant and equipment (Continued)

Group	Leasehold properties $	Motor vehicles $	Furniture, fittings and fixtures $	Machinery, instrumentation and tools $	Office equipment $	Renovation $	Construction in progress $	Mining infrastructure $	Total $
2013									
Cost or valuation									
Balance at 1 April 2012									
Cost	1,066,984	1,440,324	451,499	25,500,603	1,513,550	567,371	11,527,682	765,955	42,833,968
Additions	12,231	491,489	32,719	6,778,771	436,946	–	3,704,912	292,204	11,749,272
Reclassification	14,033,074	65,352	–	941,094	–	–	(15,039,520)	–	–
Disposals	–	(136,076)	–	(11,200)	(9,471)	–	–	–	(156,747)
Written off	–	(340)	(1,165)	(26,872)	(200,834)	(12,437)	–	–	(241,648)
Currency translation differences	519	(2,339)	(1,005)	(2,670)	(4,593)	–	(28,054)	–	(38,142)
Balance at 31 March 2013	15,112,808	1,858,410	482,048	33,179,726	1,735,598	554,934	165,020	1,058,159	54,146,703
Representing:									
Cost	15,112,808	1,858,410	482,048	33,179,726	1,735,598	554,934	165,020	1,058,159	54,146,703
Accumulated depreciation									
Balance at 1 April 2012	39,777	719,585	159,334	11,296,295	933,944	287,683	–	23,798	13,460,416
Depreciation	90,622	321,328	53,085	2,357,401	210,880	58,419	–	31,755	3,123,490
Disposals	–	(136,076)	–	(11,195)	(7,103)	–	–	–	(154,374)
Written off	–	(104)	(244)	(26,258)	(32,270)	(3,584)	–	–	(62,460)
Currency translation differences	(738)	(379)	(117)	3,772	(7,721)	–	–	–	(5,183)
Balance at 31 March 2013	129,661	904,354	212,058	13,620,015	1,097,730	342,518	–	55,553	16,361,889
Net carrying amount									
At 31 March 2013	14,983,147	954,056	269,990	19,559,711	637,868	212,416	165,020	1,002,606	37,784,814

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

4. Property, plant and equipment (Continued)

Company	**Office equipment $**	**Leasehold property $**	**Total $**
2014			
Cost or valuation			
Balance at 1 April 2013			
Cost	**–**	**620,000**	**620,000**
Additions	**1,370**	**–**	**1,370**
Revaluation adjustment	**–**	**506,000**	**506,000**
Balance at 31 March 2014	**1,370**	**1,126,000**	**1,127,370**
Representing:			
Cost	**1,370**	**–**	**1,370**
Valuation	**–**	**1,126,000**	**1,126,000**
	1,370	**1,126,000**	**1,127,370**
Accumulated depreciation			
Balance at 1 April 2013	**–**	**48,627**	**48,627**
Depreciation	**457**	**12,157**	**12,614**
Revaluation adjustment	**–**	**(60,784)**	**(60,784)**
Balance at 31 March 2014	**457**	**–**	**457**
Net carrying amount			
At 31 March 2014	**913**	**1,126,000**	**1,126,913**
Company			
2013			
Cost			
Balance at beginning and end of financial year	–	620,000	620,000
Accumulated depreciation			
Balance at 1 April 2012	–	36,471	36,471
Depreciation	–	12,156	12,156
Balance at 31 March 2013	–	48,627	48,627
Net carrying amount			
At 31 March 2013	–	571,373	571,373

4. Property, plant and equipment (Continued)

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

	Group	
	2014	**2013**
	$	**$**
Office equipment	**20,822**	4,836
Motor vehicles	**460,309**	762,080
Machinery, instrumentation and tools	**6,959,209**	8,703,923
	7,440,340	9,470,839

Finance leased assets are pledged as a security for the related finance lease payables (Note 17).

As at the end of the financial year, two of the Group's leasehold properties and the Company's leasehold property with carrying amount of approximately $22,529,079 and $1,126,000 respectively (2013: one of the Group's and Company's leasehold property amounting to $571,373) have been pledged to secure bank borrowings as referred to in (Note 15) 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	
	2014	**2013**
	$	**$**
Additions of property, plant and equipment	**6,008,493**	11,749,272
Acquired under finance lease arrangements	**(1,416,277)**	(3,575,935)
Acquired under other payables	**–**	(608,576)
Cash payments to acquire property, plant and equipment	**4,592,216**	7,564,761

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

4. Property, plant and equipment (Continued)

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

Location	**Description**	**Tenure**	**Approximate site are (sq. m.)**
8A Admiralty Street #06-28 Food Xchange, Singapore 757437	Factory building, office and warehouse	60 years lease from 2000	256
No.185 Dalian Road, Jiaonan, the Republic of China ("PRC")	An apartment for key management personnel	41 years lease from 2011	137.45
Haibin 2 Road, Jiaonan, PRC	18 apartments for staff dormitory	67 years lease from 2012	1,629.43
No.288 East Zhuhai Road, Jiaonan, PRC	10 units of office premises	48 years lease from 2012	1,114.44
South Haibin 2 Road, East of West Zhushan Road, Jiaonan, PRC	Factory building	48 years lease from 2013	47,689.57
Unit 704, Huikang Building, Zhanxi Road, Yaohai District, PRC(1)	Office premises	37 years lease from 2014	263.21
Unit E-401, Huayi Science Park, Tianda Road, Shushan District, PRC(1)	Industrial space	40 years lease from 2014	752.08
Unit 1413, No 15, Lane 299, Jiangchang West Road, Zhabei Distric, PRC (1)	Office premises	45 years lease from 2014	52.48

(1) These Group leasehold properties, being addition on acquisition of a subsidiary, with carrying amount of approximately $1,115,268 equivalent to RMB5,467,000 (2013: $Nil) are held in trust for the Group by a key management personnel of the subsidiary.

4. Property, plant and equipment (Continued)

Valuation processes of the Group

The Group's leasehold properties were valued as at 31 March 2014 by external independent professional valuers based on the highest-and-best-use, which is in line with the leasehold properties actual use, using the sales comparison, cost replacement, and market comparable approach as at 31 March 2014. The valuation conform to International Valuation Standards. The resulting fair values of leasehold properties are regarded as Level 2 and Level 3 recurring fair value measurement. A description of the valuation technique and the valuation process of the Group are provided in Note 33.5.

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

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Leasehold properties	**17,106,646**	14,765,302	**559,217**	571,313

5. Investments in subsidiaries

	Company	
	2014	2013
	$	$
Unquoted equity shares in corporations, at cost	**63,885,647**	59,800,278
Impairment losses	**(540,504)**	(162,878)
	63,345,143	59,637,400

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

	Company	
	2014	2013
	$	$
Balance at beginning of financial year	**162,878**	86,610
Impairment loss for the year	**377,626**	76,268
Balance at end of financial year	**540,504**	162,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

5. **Investments in subsidiaries** (Continued)

The particulars of the subsidiaries are as follows:

Name of companies	Country of incorporation/ operation	Principal activities	Effective equity interest held 2014 %	2013 %
Tritech Engineering & Testing (Singapore) Pte Ltd[(1)]	Singapore	Geological, geotechnical and geophysical investigation, instrumentation and analytical study and other related services	**100**	100
Tritech Consultants Pte. Ltd.[(1)]	Singapore	Architectural, engineering and land surveying; professional consultancy services	**100**	100
Tritech Geotechnic Pte Ltd[(1)]	Singapore	Soil investigation, treatment and stabilisation (including grouting and grunting)	**100**	100
Tritech Instruments Pte. Ltd.[(1)]	Singapore	Supply, installation and monitoring of all kinds of engineering instruments	**100**	100
Presscrete Engineering Pte Ltd[(1)]	Singapore	Civil and structural engineering contractors	**100**	100
Tritech Water Technologies Pte. Ltd.[(1)]	Singapore	Manufacture of water and waste treatment	**100**	100
SysEng (S) Pte Ltd[(1)]	Singapore	Design and development of automation and engineering system	**100**	100
Terra Tritech Engineering (M) Sdn Bhd[(3)(6)]	Malaysia	Providing civil engineering services	**100**	100
Beijing Wisetec Technologies Co., Ltd.[(4)]	PRC	Business of designing, developing, services and sale of electronic products	**100**	100
TGL Engineering Group Pte. Ltd.[(5)(6)]	Singapore	Investment holding company	**100**	–

5. Investments in subsidiaries (Continued)

Name of companies	Country of incorporation/ operation	Principal activities	Effective equity interest held 2014 %	2013 %
Tritech (Qingdao) Membrane Industry Co., Ltd.[4]	PRC	Production of membranes for use in waste treatment systems and water treatment system	**100**	100
Anhui Clean Environment Biotechnology Co. Ltd ("Anhui")[4]	PRC	Waste water treatment	**100**	–
Tritech Water & Environment Group Limited[5][6]	Cayman Islands	Provider of integrated water management and environmental solutions	**100**	–
Terratech Resources Pte Ltd[1]	Singapore	General wholesale trade (including general importers and exporters)	**100**	100
Terratech Group Limited[5][6]	Cayman Islands	Quarrying, extraction and production of dimension stones and other marble-related products	**100**	–
Held by Terratech Resources Pte Ltd				
CEP Resources Entity Sdn Bhd[2]	Malaysia	Quarrying, extraction and production of dimension stones and other marble-related products	**100**	100
Qingdao Terratech Resources Co., Ltd[4]	PRC	Wholesale and importer of mineral resources	**100**	–

(1) Audited by BDO LLP, Singapore
(2) Audited by BDO, Malaysia
(3) Audited by SE Lai Associates, Chartered Accountants, Malaysia
(4) Audited by BDO China Shu Lun Pan Certified Public Accountants LLP, PRC
(5) Not required to be audited under the laws of the country of incorporation.
(6) Not considered as significant subsidiary under Rule 718 of the Listing manual – Section B, Rules of Catalist of the Singapore Exchange Securities Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

5. **Investments in subsidiaries** (Continued)

Impairment review of investment in subsidiaries

During the current financial year, the Company carried out a review of the recoverable amount of the investments in subsidiaries in water-related and environmental segment as the subsidiaries had been persistently making losses. The review led the recognition of an impairment loss of $377,626 (2013: $76,268) for a subsidiary, Tritech Instruments Pte. Ltd., with carrying amount as at 31 March 2014 of $85,574 (2013: $463,200) that has been recognised in the profit or loss to write down this subsidiary to its recoverable amount. The recoverable amount of the investments has been determined on based on a value-in-use ("VIU") calculation using cash flow projections from the financial budgets approved by management covering a five year period. The discount rate used applied to the cash flow projection is 4.9%. The discount rate used when the recoverable amount of investment in subsidiaries was previously estimated in 2013 was 4.9%.

Additional investments in subsidiaries

During the current financial year, the Company increased its investment in certain subsidiaries amounting to $44,368 (2013: $216,993) pursuant to the employee's share options scheme granted to certain employees of the subsidiaries.

On 31 March 2014, the Company increased its investment in Tritech Engineering & Testing (Singapore) Pte Ltd ("TET") amounting to $2,000,000 by way of the capitalisation of amounts due from TET.

Incorporation of subsidiaries

On 9 July 2013, the Group and the Company incorporated the following subsidiaries:

– Terratech Group Limited, a Company incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares with a par value of HK$0.01 each, of which 1 share has been allotted and issued and is held directly by the Company. Its principal activity is that of a holding company which is engaged in the business of the exploration, development, quarrying, extraction, removal and sale of marble for commercial sale or consumption.

– TGL Engineering Group Pte. Ltd., a Company incorporated in Singapore with an issued and paid up capital of $1.00 comprising 1 ordinary share which has been allotted and issued and is held directly by the Company. Its principal activity is that of an investment holding company.

– Tritech Water & Environment Group Limited, a Company incorporated in the Cayman Islands with an authorised share capital of HK$380,000 divided into 38,000,000 shares with a par value of HK$0.01 each, of which 1 share has been allotted and issued and is held directly by the Company. Its principal activities is that of a holding company which provides integrated water management and environmental solutions.

– The Company's subsidiary, Terratech Resources Pte Ltd, incorporated Qingdao Terratech Resources Co., Ltd, a Company incorporated in the People's Republic of China as a wholly-owned foreign enterprise with a registered capital of US$100,000. Its principal activity is that of wholesale and importer of mineral resources.

5. Investments in subsidiaries (Continued)

Acquisition of a subsidiary

On 7 October 2013 (the "acquisition date"), the Company completed the acquisition of Anhui, a Company incorporated in the PRC, located in Anhui Province for a consideration of RMB10 million, of which RMB7 million is payable to the existing shareholders and RMB3 million is paid to a local bank for the repayment of Anhui's bank loan which is guaranteed by two properties in Hefei City, Anhui Province, PRC, currently owned by one of the shareholders. Upon the acquisition, the Company owns 100% of the equity interest of Anhui.

The acquisition will enable the Group to further its venture into the water and waste water business in the PRC by tapping on Anhui's existing licences, management, track record and clientele. The Group shall have immediate access to the emerging market of water treatment, waste water treatment, water reclamation and recycling in the PRC. The Directors are of the view that there is significant growth potential in the water-related business, and the acquisition is expected to generate new revenue streams for the Group and enhance the Group's financial performance in the near future. The acquisition will also provide synergies to the Group's current expertise in membrane and membrane-related business and further strengthen the Group's position as one of the leading water-related services providers in Singapore and the region.

The fair value of the identifiable assets and liabilities of Anhui as at the acquisition date were:

	Fair value recognised on acquisition	**Acquiree's carrying amount**
	$	**$**
Property, plant and equipment (Note 4)	1,365,192	212,363
Intangible assets – licences (Note 8)	3,300,787	–
Inventory	2,542,806	2,542,806
Trade and other receivables	7,375,352	7,375,352
Prepayments	3,491	3,491
Cash and cash equivalents	347,633	347,633
	14,935,261	10,481,645
Trade and other payables	3,845,603	3,845,603
Bank borrowings	624,929	624,929
Deferred tax liabilities (Note 19)	825,197	–
	5,295,729	4,470,532
Net identifiable assets at fair value	9,639,532	
Purchase consideration paid in cash	2,083,097	
Gain on bargain purchase arising from the acquisition	7,556,435	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

5. **Investments in subsidiaries** (Continued)

Acquisition of a subsidiary (Continued)

Provisional accounting on the acquisition of Anhui

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. The Group has engaged an independent valuer to determine the fair value of the identifiable assets, liabilities and contingent liabilities. As at 31 March 2014, the final results of the independent valuation have not been received by the date of the financial statements was authorised for issue. Accordingly, a provisional gain on bargain purchase is recorded based on the excess of the sum of the fair value of the purchase consideration over the net provisional fair value of the identifiable assets, liabilities and contingent liabilities as at the date of acquisition. Any adjustment to the carrying amounts will be adjusted on a retrospective basis when the independent valuation of the acquisition is finalised.

Trade and other receivables acquired

At the acquisition date, the fair value of the acquired provisional trade and other receivables, which comprised trade receivables, other receivables, tax recoverable and advances to suppliers amounting to $5,107,613, $561,732, $25,737 and $1,680,270 respectively. The gross contractual amount of the receivables due approximates the fair value. It is expected that the full contractual amount of the provisional trade and other receivables can be collected.

Provisional gain on bargain purchase

The acquisition of Anhui has resulted in a provisional gain on bargain purchase of $7,556,435 as the provisional fair value of the identifiable net assets acquired exceeds the total purchase consideration primarily due to the fair value of licences and properties. In arriving at the provisional fair value of the licences, the management has taken into account the estimated future cash flows to be generated from these licences. The provisional gain on bargain purchase is included in “Other income” (Note 23) in the Group’s profit or loss for the financial year ended 31 March 2014.

Impact of acquisition on profit or loss

From the acquisition date, Anhui has contributed $4,213,348 of revenue and $30,432 of profit to the Group’s consolidated statement of comprehensive for the financial year. If the business combination had taken place as at the beginning of the financial year, the contribution to the Group’s revenue and the Group’s loss, net of tax, would approximate $7,509,752 and $76,037 respectively.

Transaction costs

Transaction costs related to the acquisition of $14,000 have been recognised in the “Administrative expenses” line item in the Group’s profit or loss for the financial year ended 31 March 2014.

Effect of the acquisition of Anhui on cash flows

	$
Purchase consideration paid for 100% equity interest acquired in cash	2,083,097
Less: Cash and cash equivalents of subsidiary acquired	(347,633)
Net cash outflow on acquisition	1,735,464

6. Land use right

	Group	
	2014	**2013**
	$	**$**
Cost or valuation		
Balance at beginning of financial year, at cost	**2,755,226**	2,773,370
Revaluation adjustment	**5,318,510**	–
Currency translation differences	**–**	(18,144)
Balance at end of financial year, at valuation	**8,073,736**	2,755,226
Accumulated amortisation		
Balance at beginning of financial year	**168,933**	114,578
Amortisation for the financial year	**57,059**	54,965
Adjustment due to revaluation	**(225,992)**	–
Currency translation differences	**–**	(610)
Balance at end of financial year	**–**	168,933
Net carrying amount		
Balance at end of financial year	**8,073,736**	2,586,293

The Group has land use right over 110 acres of land in the PRC where the Group's factory for manufacturing and production of membranes was built for use in waste treatment systems and water treatment system. The land use right is transferable and has a remaining tenure of 47 years (2013: 48 years).

The Group's land use right is secured for banking facility of a subsidiary (Note 15) in the previous year.

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

The Group's land use right was valued as at 31 March 2014 by an external independent professional valuer based on the highest-and-best-use, which is in line with the actual use, using the income approach as at 31 March 2014. The valuation conforms to International Valuation Standards. The resulting fair value is regarded as Level 3 recurring fair value measurement. A description of the valuation technique and the valuation process of the Group is provided in Note 33.5.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

7. Mining right

	Group	
	2014	2013
	$	$
Cost		
Balance at beginning and end of financial year	**16,215,300**	16,215,300
Accumulated amortisation		
Balance at beginning of financial year	**982,746**	491,373
Amortisation	**491,376**	491,373
Balance at end of financial year	**1,474,122**	982,746
Net carrying amount		
Balance at end of financial year	**14,741,178**	15,232,554
Amount to be amortised:		
– Not later than one year	**491,376**	491,376
– Later than one year but not later than five years	**1,965,504**	1,965,504
– Later than five years	**12,284,298**	12,775,674

The Group has mining right which pertains to sub-lease of a piece of land known as Lot 1781, PN 4112, Mukim Ulu Nenggiri, Jajahan Gua Musang, Kelantan, Malaysia, measuring approximately 25.94 hectares which is owned by Kelantan State Economic Development Corporation. The mining right has a remaining tenure of 30 years (2013: 31 years), expiring on 26 January 2044.

Amortisation of mining right is included in “other expenses” line item in profit or loss.

8. Intangible assets

Group	Transferable club memberships	Intellectual property right	Licences	Development expenditure	Customer relationship	Total
	$	$	$	$	$	$
Cost						
Balance at 1.4.2013	**76,500**	**198,700**	**–**	**1,202,604**	**768,873**	**2,246,677**
Additions	**–**	**–**	**–**	**48,001**	**–**	**48,001**
Acquisition of a subsidiary (Note 5)	**–**	**–**	**3,300,787**	**–**	**–**	**3,300,787**
Currency translation differences	**–**	**–**	**(14,415)**	**11,159**	**–**	**(3,256)**
Balance at 31.3.2014	**76,500**	**198,700**	**3,286,372**	**1,261,764**	**768,873**	**5,592,209**
Accumulated amortisation						
Balance at 1.4.2013	**–**	**35,241**	**–**	**183,350**	**281,919**	**500,510**
Amortisation	**–**	**9,935**	**193,316**	**18,720**	**76,884**	**298,855**
Currency translation differences	**–**	**–**	**–**	**568**	**–**	**568**
Balance at 31.3.2014	**–**	**45,176**	**193,316**	**202,638**	**358,803**	**799,933**
Net carrying amount						
Balance at 31.3.2014	**76,500**	**153,524**	**3,093,056**	**1,059,126**	**410,070**	**4,792,276**
Cost						
Balance at 1.4.2012	76,500	198,700	–	1,120,595	768,873	2,164,668
Additions	–	–	–	84,207	–	84,207
Currency translation differences	–	–	–	(2,198)	–	(2,198)
Balance at 31.3.2013	76,500	198,700	–	1,202,604	768,873	2,246,677
Accumulated amortisation						
Balance at 1.4.2012	–	25,306	–	165,271	205,032	395,609
Amortisation	–	9,935	–	18,033	76,887	104,855
Currency translation differences	–	–	–	46	–	46
Balance at 31.3.2013	–	35,241	–	183,350	281,919	500,510
Net carrying amount						
Balance at 31.3.2013	76,500	163,459	–	1,019,254	486,954	1,746,167

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

9. Prepayments

During the year, the Group paid $352,338 for a right to use a leasehold land at Gua Musang, Kelantan. The title to the land use right has not been transferred to the Group as at 31 March 2014 pending the relevant government's approval. A deposit amounting to $41,475 was paid in prior year and included in the Group's other receivables as at 31 March 2013 (Note 11), which was transferred to prepayments (non-current) upon payment of the remaining consideration.

Prepayments under current assets included advance payments to suppliers amounting to $1,698,643 (2013: $1,152,839).

10. Inventories

	Group	
	2014	**2013**
	$	**$**
Construction materials	**521,672**	477,259
Consumable materials	**35,469**	49,670
Finished goods	**3,039,798**	411,372
Raw materials	**387,347**	157,553
Work-in-progress	**1,720,257**	340,820
	5,704,543	1,436,674
Write-down of inventories	**(1,079,883)**	–
	4,624,660	1,436,674

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss was $4,953,633 (2013: $6,601,611).

Movement in write-down of inventories during the financial year was as follows:

	Group	
	2014	**2013**
	$	**$**
Balance at beginning of financial year	**–**	–
Allowance made during the financial year	**1,082,001**	–
Currency translation differences	**(2,118)**	–
Balance at end of financial year	**1,079,883**	–

11. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
		(Reclassified)		
Non-current				
– retentions on construction contracts	**972,899**	1,005,691	**–**	–
Current				
Trade receivables				
– third parties	**9,181,352**	5,111,646	**–**	–
– subsidiaries	**–**	–	**4,322,370**	1,979,765
– GST refundable	**28,118**	96,498	**–**	–
– VAT refundable	**766,520**	70,650	**–**	–
– retentions on construction contracts	**592,983**	563,331	**–**	–
	10,568,973	5,842,125	**4,322,370**	1,979,765
Impairment losses: third parties	**(121,614)**	(79,090)	**–**	–
	10,447,359	5,763,035	**4,322,370**	1,979,765
Unbilled revenue	**58,870**	63,905	**–**	–
Notes receivables	**163,200**	–	**–**	–
Other receivables				
– third parties	**577,644**	703,300	**17,089**	22,253
– ultimate holding company	**–**	15,470	**–**	–
– subsidiaries	**–**	–	**13,091,222**	8,338,290
– related companies	**56,605**	4,849	**1,890**	630
– advances to directors for business purpose	**110,000**	–	**110,000**	–
Staff loan	**52,481**	26,804	**–**	–
Dividend receivable from subsidiary	**–**	–	**133,000**	235,891
Deposits	**550,860**	664,030	**219,950**	218,350
	12,017,019	7,241,393	**17,895,521**	10,795,179
Total trade and other receivables	**12,989,918**	8,247,084	**17,895,521**	10,795,179

Trade receivables are non-interest bearing and generally on 30 to 90 (2013: 30 to 180) days' credit terms.

The amounts due from the ultimate holding company and related companies mainly comprise of expenses recharged, are unsecured, non-interest bearing and repayable on demand in cash.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

11. Trade and other receivables (Continued)

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

Deposits mainly relate to the rental deposits of office premise, workers' quarter, security deposit for temporary occupation licence, and also deposit amounting to $41,475 paid for the acquisition of a leasehold land use right located at Gua Musang, Kelantan.

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

	Group	
	2014	**2013**
	$	**$**
Balance at beginning of financial year	**79,090**	50,264
Allowance made during the financial year	**46,703**	29,253
Write back of allowance	**(3,102)**	–
Currency translation differences	**(1,077)**	(427)
Balance at end of financial year	**121,614**	79,090

The Group's allowance for doubtful trade receivables of $46,703 (2013: $29,253) were included in "other expenses" line item in profit or loss subsequent to a debt recovery assessment performed during the financial year. The impairment loss arose mainly from customers who have difficulty in settling their debts.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
		(Reclassified)		
Singapore dollar	**5,379,893**	7,307,869	**17,895,521**	10,795,179
Ringgit Malaysia	**662,537**	197,150	**–**	–
Chinese renminbi	**6,947,488**	742,065	**–**	–
	12,989,918	8,247,084	**17,895,521**	10,795,179

12. Amounts due from/(to) contract customers

	Group	
	2014	2013
	$	$
		(Reclassified)
Aggregate amount of costs incurred to date	**151,777,150**	116,762,207
Add: Recognised profits (less recognised losses) to date	**66,496,148**	63,643,605
Total contract work-in-progress	**218,273,298**	180,405,812
Less: Progress billings received and receivable	**(178,192,971)**	(146,045,072)
	40,080,327	34,360,740
Presented as:		
Amounts due from contract customers	**41,690,447**	35,141,450
Amounts due to contract customers	**(1,610,120)**	(780,710)
	40,080,327	34,360,740
Retention sums on construction contracts included in trade receivables	**1,565,882**	1,569,022

13. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Fixed deposits with banks	**5,272,970**	4,368,574	**1,505,555**	1,500,454
Cash and bank balances	**15,631,276**	16,190,995	**7,597,976**	1,359,911
Cash and cash equivalents on statements of financial position	**20,904,246**	20,559,569	**9,103,531**	2,860,365
Bank overdrafts (Note 15)	**(4,056,713)**	(2,192,268)		
Fixed deposits pledged	**(5,244,897)**	(4,346,778)		
Cash and cash equivalents on consolidated statement of cash flows	**11,602,636**	14,020,523		

Cash at bank earn interest at floating rates based on daily bank deposits. Fixed deposits mature on varying periods between 1 to 12 (2013: 1 to 12) months from the end of the reporting period. The effective interest rates on the fixed deposits range from 0.25% to 1.80% (2013: 0.05% to 0.71%) per annum. The fixed deposits of the Group and the Company amounting to $5,244,897 (2013: $4,346,778) and $1,505,555 (2013: $1,500,454) respectively are pledged to banks for bankers' guarantee and facilities granted to the Group and the Company (Note 15).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

13. Cash and cash equivalents (Continued)

Cash and cash equivalents on the statements of financial position are denominated in the following currencies:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Singapore dollar	**17,945,660**	16,898,127	**9,103,531**	2,860,365
Ringgit Malaysia	**157,270**	202,672	**–**	–
Chinese Renminbi	**1,972,495**	2,836,940	**–**	–
United States dollar	**828,531**	621,540	**–**	–
Indian rupee	**290**	290	**–**	–
	20,904,246	20,559,569	**9,103,531**	2,860,365

14. Trade and other payables

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Trade payables				
– third parties	**6,771,874**	5,557,260	**–**	–
– goods and services tax payable	**641,153**	677,465	**134,677**	126,754
– notes payables	**799,683**	–	**–**	–
Accrued operating expenses	**1,584,525**	1,940,414	**135,061**	308,094
Accruals for Directors' fees	**326,000**	216,000	**326,000**	216,000
Interest accrued on convertible bonds (Note 16)	**424,110**	212,055	**–**	–
Provision for unutilised leave	**337,983**	480,488	**–**	–
Advances from customers	**15,692**	–	**–**	–
Directors' incentive bonus	**–**	130,858	**–**	130,858
Deposits received	**53,854**	92,549	**204,026**	204,026
Other payables				
– third parties	**4,898,120**	4,042,508	**56,528**	126,135
– subsidiaries	**–**	–	**2,960,132**	2,067,694
– ultimate holding company	**–**	2,350,000	**–**	2,000,000
	15,852,994	15,699,597	**3,816,424**	5,179,561

14. Trade and other payables (Continued)

Trade payables are non-interest bearing and are normally settled between 30 to 90 (2013: 30 to 90) days.

Amounts due to the subsidiaries mainly comprises of expenses recharges which are unsecured, non-interest bearing and repayable on demand in cash and/or set off against balances except for an amount of $2,000,000 (2013: $2,000,000) due to a subsidiary which bears an effective interest rate of 3.9% (2013: 3.75%) per annum on monthly rests or such other rate(s) as may be determined by the subsidiary.

In prior year, amounts due to the ultimate holding company mainly comprise of loans which are unsecured, non-interest bearing and repayable on demand in cash.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Singapore dollar	**7,295,841**	11,523,944	**3,816,424**	5,179,561
Ringgit Malaysia	**821,035**	293,706	**–**	–
Chinese Renminbi	**7,065,770**	3,222,712	**–**	–
United States dollar	**122,874**	653,955	**–**	–
Hong Kong dollar	**547,080**	–	**–**	–
Others	**394**	5,280	**–**	–
	15,852,994	15,699,597	**3,816,424**	5,179,561

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15. Bank borrowings

	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Current liabilities				
Secured				
Term loan II	**1,200,000**	1,050,000	**1,200,000**	1,050,000
Term loan III	**1,500,000**	1,500,000	**–**	–
Term loan IV	**–**	1,974,000	**–**	–
Term loan V	**4,080,000**	–	**–**	–
Mortgage loan	**18,494**	30,499	**18,494**	30,499
Trust receipt I	**–**	126,591	**–**	–
Bank overdrafts	**2,255,971**	1,744,109	**1,872,822**	1,744,109
Fixed advanced facility loan I (“FAFY I”)	**2,000,000**	2,000,000	**–**	–
Fixed advanced facility loan II (“FAFY II”)	**3,000,000**	3,000,000	**3,000,000**	3,000,000
	14,054,465	11,425,199	**6,091,316**	5,824,608
Unsecured				
Term loan I	**158,761**	–	**–**	–
Trust receipt II	**49,697**	24,733	**–**	–
Bank overdrafts	**1,800,742**	448,159	**–**	–
	2,009,200	472,892	**–**	–
	16,063,665	11,898,091	**6,091,316**	5,824,608
Non-current liabilities				
Secured				
Term loan II	**4,500,000**	5,700,000	**4,500,000**	5,700,000
Mortgage loan	**390,701**	399,628	**390,701**	399,628
	4,890,701	6,099,628	**4,890,701**	6,099,628
Unsecured				
Term loan I	**303,196**	–	**–**	–
	5,193,897	6,099,628	**4,890,701**	6,099,628
	21,257,562	17,997,719	**10,982,017**	11,924,236

Non-current bank borrowings are repayable as follows:

	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Later than one financial year but not later than five financial years	**4,886,067**	4,882,744	**4,582,871**	4,882,744
Later than five financial years	**307,830**	1,216,884	**307,830**	1,216,884
	5,193,897	6,099,628	**4,890,701**	6,099,628

15. Bank borrowings (Continued)

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	%	**%**	**%**	**%**
Term loan I	**3.25**	–	**–**	–
Term loan II	**4.25**	4.25	**4.25**	4.25
Term loan III	**4.43 – 4.74**	4.51 – 4.58	**–**	–
Term loan IV	**–**	6.06	**–**	–
Term loan V	**6.06**	–	**–**	–
Mortgage loan	**2 – 4.5**	2	**2 – 4.5**	2
FAFY I	**3.9**	3.75	**–**	–
FAFY II	**3.85 – 3.9**	3.75	**3.85 – 3.9**	3.75
Trust receipts I	**6**	6	**–**	–
Trust receipts II	**6.25**	4.75	**–**	–
Bank overdrafts	**5.5 – 9.88**	4.75 – 9.88	**6.50**	6.50

Secured

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

Term loan III from a financial institution is repayable and rollover every 3-month commencing from 12 March 2014 (2013: 3 months commencing from 18 March 2013). Term loan III is secured by fixed deposit of a subsidiary and a corporate guarantee of the Company.

In the previous financial year ended 31 April 2013, Term loan IV from a financial institution is repayable over 12 months commencing from 27 March 2013. Term loan IV is secured by the land use right (Note 6) of the Group in the PRC.

Term loan V from a financial institution is repayable over 12 months commencing from 2 August 2013. Term loan V is secured by a leasehold property (Note 4) of the Group in the PRC.

Mortgage loan from a financial institution is repayable over 210 months commencing from 11 May 2012 at the bank's commercial financing rate. Mortgage loan is secured by the legal mortgage over the Company's leasehold property (Note 4).

Trust receipt I has maturity period of nil (2013: 150) days. Trust receipt I is secured by negative pledge, fixed or floating, over the asset of a subsidiary and corporate guarantee of the Company.

Bank overdrafts are secured by fixed deposit of the respective subsidiary, the Company's leasehold property and corporate guarantee of the Company.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

15. **Bank borrowings** (Continued)

Secured (Continued)

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

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

Unsecured

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

Trust receipts II have maturity period of 4 (2013: 4 to 5) months due on 8 May 2014 (2013: 4 April, 31 May and 6 June 2013). Trust receipts II are secured by a corporate guarantee of the Company.

Bank overdrafts are secured by a corporate guarantee of the Company and certain subsidiaries of the Group.

Management estimates that the carrying amounts of the Group's and Company's non-current bank borrowings approximate their fair values.

Bank borrowings are denominated in the following currencies:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Singapore dollar	**17,177,562**	16,023,719	**10,982,017**	11,924,236
Chinese renminbi	**4,080,000**	1,974,000	**–**	–
	21,257,562	17,997,719	**10,982,017**	11,924,236

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Facilities granted	**31,829,153**	30,332,127	**11,109,196**	12,180,127
Facilities utilised	**23,110,787**	19,688,303	**10,982,017**	11,924,236

16. Financial liabilities designated at fair value through profit or loss

On 23 November 2013 ("issuance date"), Terratech Resources Pte Ltd ("Terratech"), a subsidiary of Tritech Group Limited ("Tritech"), issued convertible bonds (the "Bonds") denominated in Singapore dollar with a nominal value of $15,000,000. The Bonds bear interest rate of 4% per annum for the first twelve months and 8% per annum ("annum interest") thereafter up to 23 November 2015 ("Maturity Date").

The Bonds are convertible into new ordinary shares of Terratech at a conversion price of 50% discount to the Initial Public Offering ("IPO") price upon a successful IPO on any international recognised stock exchange (other than The Stock Exchange of Hong Kong Limited ("the Stock Exchange")). In the case of an IPO failure, the Bonds are either convertible into ordinary shares of Tritech at a 10% of discount from the average volume weighted closing prices of Tritech's shares for the 10 or 30 consecutive market days or redeemable at principal plus premium of 15% per annum from issuance date to redemption date, together with any accrued and unpaid interest as at the redemption date, but after deducting any and all accrued interest which was previously paid by Terratech. The Bonds carry interest which is payable yearly in arrears on 23 November.

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

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

The Put Option would not be applicable under the following situation:

(a) listing event;

(b) Tritech does not own any ordinary shares of Terratech shares; and/or

(c) in the event of a conversion of the Bonds into ordinary shares of Terratech at the discretion of the majority bondholders.

Pursuant to the Schedule 4 and clause 6.1 of the Convertible Bonds Agreement ("CBA"), the conversion of the Bonds can only take place when the following events occur:

(1) listing event;

(2) election of majority bondholder at its discretion; or

(3) change of control.

As such, the change of control would result in the Put Option to be applicable but as assessed by Management, the probability of such an event occurring is remote which resulted in a fair value amounting to $Nil.

The Bonds are convertible at the holders' option and are supported by a guarantee granted by Tritech in favour of the bond holders. Tritech shall pledge 51% of its shares in Terratech to the bond holders.

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16. Financial liabilities designated at fair value through profit or loss (Continued)

The fair value of the financial liabilities designated at FVTPL at the end of financial reporting date is as follows:

	2014 $	2013 $ (Reclassified)
As at 1 April/on issuance	**17,119,113**	15,000,000
Interest expense (Note 24)	**812,055**	212,055
Fair value loss to profit or loss	**5,876,220**	2,119,113
As at 31 March	**23,807,388**	17,331,168
Less: Accrual (Note 14)	**(424,110)**	(212,055)
	23,383,278	17,119,113

Bonds holders had not exercised their rights to request Terratech to redeem the bonds nor were conversion rights exercised by the holders during the year.

Subsequent to Restructuring Agreement dated on 20 June 2014, Terratech Group Limited agreed to assume the liability of Terratech to repay or procure a conversion of the conversion amount in respect of the Bonds into conversion shares in accordance with the terms of CBA. The terms and conditions of the Restructuring Agreement is described in details in Note 35.

17. Finance lease payables

	Minimum lease payments $	Future finance charges $	Present value of minimum lease payments $
Group			
2014			
Current liabilities			
Not later than one financial year	**2,627,960**	**(119,926)**	**2,508,034**
Non-current liabilities			
Later than one financial year but not later than five financial years	**1,634,865**	**(79,683)**	**1,555,182**
Later than five financial years	**69,681**	**(1,663)**	**68,018**
	1,704,546	**(81,346)**	**1,623,200**
	4,332,506	**(201,272)**	**4,131,234**
2013			
Current liabilities			
Not later than one financial year	2,926,234	(197,434)	2,728,800
Non-current liabilities			
Later than one financial year but not later than five financial years	2,937,996	(122,478)	2,815,518
Later than five financial years	117,047	(5,088)	111,959
	3,055,043	(127,566)	2,927,477
	5,981,277	(325,000)	5,656,277

17. Finance lease payables (Continued)

The effective interest rates charged during the financial year ranged between 2.75% to 10.86% (2013: 2.81% to 10.86%) per annum.

The finance leases terms range from between 3 to 7 years (2013: 1 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.

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 (Note 4).

The finance lease payables are secured by fixed deposit of certain subsidiaries of the Group and corporate guarantees of the Company.

Management estimates that the carrying amounts of the Group's finance lease obligations approximate their fair values.

The finance lease payables are denominated in Singapore dollar.

18. Loan from a shareholder

Loan from a shareholder is non-trade in nature, unsecured and repayable after 24 months from 3 November 2011 in cash. Loan from a shareholder bears interest at 6.2% (2013: 6.2%) per annum. The loan was fully settled in cash during the financial year.

The loan from a shareholder is denominated in Singapore dollar.

19. Deferred tax liabilities

The deferred tax is represented after appropriate offsetting as follows:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Deferred tax assets	**(390,626)**	(145,773)	**–**	–
Deferred tax liabilities	**8,100,108**	3,112,094	**96,353**	–
	7,709,482	2,966,321	**96,353**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

19. Deferred tax liabilities (Continued)

Movements in deferred tax assets and liabilities during the financial year were as follows:

Deferred tax assets

	Provision for unutilised leave $	Unabsorbed capital allowance $	Unutilised tax losses $	Total $
Group				
Balance at 1.4.2012	19,062	66,056	–	85,118
Credited to profit or loss	–	60,655	–	60,655
Balance at 31.3.2013	19,062	126,711	–	145,773
Credited/(charged) to profit or loss	22,411	(19,374)	241,816	244,853
Balance at 31.3.2014	41,473	107,337	241,816	390,626

Deferred tax liabilities

	Mining right $	Property, plant and equipment $	Fair value of intangible assets $	Asset revaluation adjustment $	Total $
Group					
Balance at 1.4.2012	2,588,434	1,140,650	95,853	–	3,824,937
Credited to profit or loss	–	(712,843)	–	–	(712,843)
Balance at 31.3.2013	2,588,434	427,807	95,853	–	3,112,094
(Credited)/charged to profit or loss	(167,067)	52,986	(8,133)	–	(122,214)
Acquisition of a subsidiary (Note 5)	–	825,197	–	–	825,197
Deferred tax on revaluation	–	–	–	4,285,031	4,285,031
Balance at 31.3.2014	2,421,367	1,305,990	87,720	4,285,031	8,100,108

Deferred tax liability

	Asset revaluation adjustment $	Total $
Company		
Balance at 1.4.2012 and balance at 31.3.2013	–	–
Deferred tax on revaluation	96,353	96,353
Balance at 31.3.2014	96,353	96,353

20. Share capital

	Group and Company	
	2014	**2013**
	$	**$**
Issued and fully-paid		
298,748,093 (2013: 288,082,093) ordinary shares at beginning of financial year	**44,712,753**	41,967,325
Issuance of 7,426,500 (2013: 10,666,000) ordinary shares from conversion of warrants	**1,856,625**	2,666,500
Transfer from warrants reserve upon conversion of warrants	**62,903**	78,928
Issuance of 75,000,000 (2013: Nil) ordinary share upon new shares placement	**18,750,000**	–
Issuance of 5,400,000 (2013: Nil) ordinary shares upon exercise of employee share options	**1,458,000**	–
Transfer from employee share options reserve upon exercising of employee share options	**956,284**	–
Share issue expenses	**(622,476)**	–
Issuance of 386,574,593 (2013: Nil) ordinary shares upon share split	**–**	–
773,149,186 (2013: 298,748,093) ordinary shares at end of financial year	**67,174,089**	44,712,753

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.

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

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

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

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

There was no share options granted under the "Tritech Group Performance Share Plan" by the Company during the financial year.

Under the Profit Incentives, a contingent consideration of $3,243,060 was recognised at fair value at the acquisition date as part of the purchase consideration which will be satisfied by issuance of additional CPS. Contingent consideration was classified as "other reserve" as disclosed in Note 21.2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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21. Reserves

Reserves comprise the following:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Other reserve	**3,243,060**	3,243,060	**3,243,060**	3,243,060
Employee share option reserve	**–**	889,963	**–**	889,963
Warrants reserve	**–**	294,766	**–**	294,766
Asset revaluation reserve	**13,036,463**	–	**470,431**	–
Foreign currency translation account	**(350,700)**	(260,700)	**–**	–
Retained earnings	**6,037,695**	13,432,035	**5,638,185**	5,629,513
	21,966,518	17,599,124	**9,351,676**	10,057,302

21.1 Employee share option reserve

The Company has a share option scheme for all employees of the Group under the Tritech Group Employee Share Option Scheme (the "Scheme"). The Scheme is administered by the Remuneration Committee. Market price is based on the average of the last done prices for the shares of the Company on the Singapore Exchange Securities Trading Limited for the five market days preceding the date of grant. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price. Options are forfeited if the employee leaves the Group before the options vested.

	Balance at beginning of financial year	Granted during the financial year	Exercised during the financial year	Not accepted/ forfeited during the financial year	Balance at end of financial year	Remaining life	Exercise price $	Fair value $	Vesting period
2014									
Exercisable at market price	2,240,000	–	2,220,000	20,000	–	–	–	–	–
	480,000	–	480,000	–	–	–	–	–	–
	2,720,000	–	2,700,000	20,000	–				
Exercisable at 20% discount of market price	2,240,000	–	2,220,000	20,000	–	–	–	–	–
	480,000	–	480,000	–	–	–	–	–	–
	2,720,000	–	2,700,000	20,000	–				
Total	5,440,000	–	5,400,000	40,000	–				

21. Reserves (Continued)

21.1 Employee share option reserve (Continued)

	Balance at beginning of financial year	Granted during the financial year	Exercised during the financial year	Not accepted/ forfeited during the financial year	Balance at end of financial year	Remaining life	Exercise price $	Fair value $	Vesting period
2013									
Exercisable at market price	2,400,000	–	–	(160,000)	2,240,000	8 years	0.30	414,524	1 year
	480,000	–	–	–	480,000	3 years	0.30	64,991	1 year
	2,880,000	–	–	(160,000)	2,720,000				
Exercisable at 20% discount of market price	2,400,000	–	–	(160,000)	2,240,000	8 years	0.24	460,111	2 years
	480,000	–	–	–	480,000	3 years	0.24	74,919	2 years
	2,880,000	–	–	(160,000)	2,720,000				
Total	5,760,000	–	–	(320,000)	5,440,000				

	Weighted average exercise price $	Number of options
Options granted	0.27	5,760,000
Outstanding as at 31.3.2014	–	–

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21. Reserves (Continued)

21.1 Employee share option reserve (Continued)

The fair value of options granted on 7 July 2011, determined using the Binomial pricing model amounted to $1,014,545. The significant inputs into the model were as follows:

	Share options			
	Other than the Group Non-Executive Director		Group Non-Executive Director	
Exercise price ($)	0.30	0.24	0.30	0.24
Share price at the date of grant ($)	0.295	0.295	0.295	0.295
Exercise price ($)	0.300	0.240	0.300	0.240
Expected volatility (%)	77.66	79.37	76.45	74.35
Expected option life (years)	5.5	6.0	3.0	3.5
Annual risk-free interest rate (%)	1.21	1.41	0.50	0.61
Expected dividend yield (%)	1.86	1.86	1.86	1.86

Expected volatility was determined by calculating the historical volatility of the comparable companies. The expected option life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

21.2 Other reserve

Other reserve represents the amount set aside as contingent consideration recognised at fair value at the acquisition date as part of the purchase consideration for the acquisition of Terratech Resources Pte Ltd. Contingent consideration will not be remeasured and its subsequent settlement will be accounted for within equity.

21.3 Warrants reserve

In the financial year ended 31 March 2011, 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 warrants reserve account in respect of the warrants not exercised will become a distributable reserve.

21. Reserves (Continued)

21.4 Asset revaluation reserve

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Balance at 1 April	**–**	–	**–**	–
Revaluation gains				
– Leasehold properties (Note 2.2)	**11,776,992**	–	**566,784**	–
– Land use right (Note 2.2)	**5,544,502**	–	**–**	–
Deferred tax on revaluation gains	**(4,285,031)**	–	**(96,353)**	–
Balance at 31 March	**13,036,463**	–	**470,431**	–

21.5 Foreign currency translation account

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

22. Revenue

	Group	
	2014	**2013**
	$	**$**
Sales of goods	**818,369**	460,289
Services rendered	**1,027,453**	474,870
Revenue from construction contracts	**53,862,998**	50,023,148
	55,708,820	50,958,307

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23. Other income

	Group	
	2014	2013
	$	$
Doubtful debt recovered	**3,102**	–
Gain on disposal of plant and equipment	**233,965**	51,995
Gain on bargain purchase (Note 5)	**7,556,435**	–
Rental income	**391,317**	373,724
Compensation claims	**28,330**	35,718
Government grants	**231,244**	48,133
Accounting fees income charged to third party	**–**	1,599
Accounting fees income charged to ultimate holding company and related company	**38,566**	18,401
Sundry income	**121,752**	37,676
Service fee	**225,000**	20,000
Others	**9,225**	9,619
	8,838,936	596,865

24. Finance costs

	Group	
	2014	2013
	$	$
		(Reclassified)
Bank charges	**42,868**	127,382
Interest on:		
– Bank overdraft	**156,202**	150,508
– Convertible bonds (Note 16)	**812,055**	212,055
– Finance leases	**242,576**	268,403
– Term loans	**550,856**	403,026
– Fixed advance facility (“FAFY”) loan	**191,038**	140,815
– Bridging loans	**–**	6,608
– Shareholder’s loan	**122,000**	124,000
– Mortgage loan	**9,567**	–
– Trust receipts	**9,046**	14,332
	2,136,208	1,447,129

25. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2014	2013
	$	$
		(Reclassified)
Cost of sales		
Cost of inventories	**4,953,633**	6,601,611
Depreciation of property, plant and equipment	**1,978,944**	1,695,013
Subcontractor costs	**7,204,419**	6,785,731
Distribution expenses		
Depreciation of property, plant and equipment	**206,038**	196,585
Upkeep of motor vehicles	**329,441**	307,237
Administrative expenses		
Audit fees		
– auditors of the Company	**185,500**	160,000
– other auditors	**72,267**	27,800
Non-audit fees		
– auditors of the Company	**50,000**	42,900
– other auditors	**706**	764
Depreciation of property, plant and equipment	**1,099,735**	591,212
IPO expenses	**1,004,803**	957,781
Operating leases expenses	**714,242**	588,840
Professional fees	**1,248,044**	361,278
Write-down on inventories	**1,082,001**	–
Other expenses		
Amortisation of intangible assets	**298,855**	104,855
Amortisation of land use right	**57,059**	54,965
Amortisation of mining right	**491,376**	491,373
Depreciation of property, plant and equipment	**782,588**	640,680
Fair value loss on financial liabilities designated at FVTPL	**5,876,220**	2,119,113
Foreign exchange loss, net	**290,164**	175,996
Plant and equipment written off	**87,609**	179,188
Operating leases expenses	**1,415,768**	707,177
Impairment losses of third parties trade receivables	**46,703**	29,253

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25. Loss before income tax (Continued)

Loss before income tax also includes:

	Group 2014 $	Group 2013 $
Employee benefits expense		
– salaries, bonuses and other benefits	**26,688,436**	24,161,921
– contributions to the defined contribution plan	**4,165,792**	3,444,508
– employee share option scheme	**66,321**	339,362
	30,920,549	27,945,791

The employee benefits expense is recognised in the following line items of profit or loss:

	Group 2014 $	Group 2013 $
Cost of sales	**22,723,681**	20,204,638
Distribution expenses	**161,803**	89,462
Administrative expenses	**5,528,606**	5,195,626
Other expenses	**2,506,459**	2,456,065
	30,920,549	27,945,791

The above includes the amounts shown as key management personnel remuneration in Note 30 to the financial statements.

26. Income tax

	Group 2014 $	Group 2013 $
Current income tax		
– current financial year	**692,179**	519,599
– over provision in prior financial years	**(447,961)**	(1,279,736)
	244,218	(760,137)
Deferred tax		
– current financial year	**(750,686)**	111,255
– under/(over) provision in prior financial years	**383,619**	(884,753)
	(367,067)	(773,498)
Total income tax credit	**(122,849)**	(1,533,635)

26. Income tax (Continued)

Domestic income tax is calculated at 17% (2013: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. The taxable profit of the Group's subsidiaries in the PRC and Malaysia are subject to corporate income tax at 25% (2013: 25%) and 25% (2013: 25%) respectively.

Reconciliation of effective income tax rate

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2013: 17%) to loss before income tax as a result of the following differences:

	Group	
	2014	**2013**
	$	**$**
Loss before income tax	**(7,749,052)**	(5,118,729)
Income tax calculated at statutory tax rate	**(1,317,339)**	(870,184)
Effect of different tax rates of overseas operations	**(619,924)**	(309,513)
Tax effect of expenses not deductible for income tax purposes	**1,585,034**	677,507
Tax effect of income tax exemption	**(103,700)**	(67,710)
Tax effect of income not subject for tax purposes	**(119,277)**	(41,223)
Deferred tax assets not recognised in profit or loss	**633,838**	1,385,388
Utilisation of deferred tax assets previously not recognised	**(11,044)**	–
Tax incentive under Productivity and Innovation Credit	**(46,761)**	(123,303)
Corporate tax rebate	**(101,596)**	–
Over provision of current income tax in prior financial years	**(447,961)**	(1,279,736)
Under/(Over) provision of deferred tax in prior financial years	**383,619**	(884,753)
Witholding tax	**24,963**	–
Others	**17,299**	(20,108)
	(122,849)	(1,533,635)

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

	Group	
	2014	**2013**
	$	**$**
Property, plant and equipment	**237,657**	94,581
Unutilised tax losses	**959,597**	467,194
Other	**–**	12,685
	1,197,254	574,460

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26. Income tax (Continued)

As at 31 March 2014, the Group has unutilised tax losses of approximately $5,645,000 (2013: $2,748,000) which is available for set-off against future taxable profits subject to the agreement by the relevant tax authorities and provisions of the relevant 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.

Group has no temporary differences related to investment in subsidiaries as the overseas subsidiaries have no undistributed earnings, and any dividends from local subsidiaries are tax exempt.

27. Loss per share

Basic loss per share is calculated by dividing the loss 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	
	2014	**2013**
	$	**$**
Loss for the financial year attributable to owners of the parent	**(7,626,203)**	(3,585,094)
Weighted average number of ordinary shares in issue during the financial year applicable to basic earnings per share	**384,987,604**	292,363,922
Basic loss per share (in cents)	**(1.98)**	(1.23)

For the purpose of calculating diluted earnings per share, the Group's net loss attributable to equity holders 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 loss attributable to owners 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.

27. Loss per share (Continued)

	Group	
	2014	**2013**
	$	**$**
The calculation of the diluted earnings per share is based on:		
Loss for the financial year attributable to owners of the parent	**(7,626,203)**	(3,585,094)
Weighted average number of ordinary shares in issue during the financial year applicable to basic earnings per share	**384,987,604**	292,363,922
Effect of dilution		
– Warrants	**386,574,593**	–
Weighted average number of ordinary shares adjusted for effect of dilution	**771,562,197**	292,363,922
Diluted loss per share (in cents)	**(1.98)**	(1.23)

Diluted loss per share as at 31 March 2014 and 31 March 2013 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

28. Dividends

	Group and Company	
	2014	**2013**
	$	**$**
Final tax-exempt dividends paid of $0.0025 per share in respect of financial year ended 31 March 2012	**–**	730,236

29. Commitments

a) Capital commitments

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

	2014	**2013**
	$	**$**
Commitments for the acquisition of property, plant and equipment	**2,243,030**	3,974,213

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

29. **Commitments** (Continued)

b) **Operating lease commitments**

Group as lessee

The Group has entered into commercial leases for rental payable for premises, office equipment and mining right (Note 7). Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Not later than one year	**1,777,738**	1,865,915	**544,000**	544,000
Later than one year but not later than five years	**4,223,235**	5,528,702	**1,088,000**	1,632,000
Later than five years	**3,896,502**	399,242	**–**	–
	9,897,475	7,793,859	**1,632,000**	2,176,000

The above operating lease commitments are based on existing rental rates and have an average tenure of between 1 to 8 years (2013: 1 to 4 years). The operating lease agreements provide for periodic revision of such rates in the future. There were no renewal options or arrangements entered for contingent rent payments.

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

Group as lessor

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

	Group	
	2014	2013
	$	$
Not later than one year	**38,195**	146,578
Later than one year but not later than five years	**29,782**	69,867
	67,977	216,445

All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. These non-cancellable leases have remaining lease terms of between 1 to 2 years (2013: 1 to 2 years). There were no renewal options or arrangements entered for contingent rent payments.

30. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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30. Significant related party transactions (Continued)

During the financial year, in addition to those related party information disclosed elsewhere in these financial statements, the Group and the Company entered into the following transactions with related parties at rates and terms agreed by and between the parties:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
With ultimate holding company				
Rental charged by ultimate holding company	**–**	152,492	**–**	–
Utilities charged by ultimate holding company	**–**	72,612	**–**	3,985
Maintenance fee charged by ultimate holding company	**–**	522	**–**	522
Parking fee charged by ultimate holding company	**–**	303	**–**	–
Accounting fee charged to ultimate holding company	**–**	14,458	**–**	–
Rental deposit refunded by ultimate holding company	**–**	70,556	**–**	–
Loans from ultimate holding company	**–**	9,090,000	**–**	3,800,000
Settlement of liabilities on behalf of subsidiaries	**–**	2,008,704	**–**	2,008,704
With subsidiaries				
Loan from subsidiaries	**–**	–	**–**	1,000,000
Loan to subsidiaries	**–**	–	**6,150,440**	4,399,980
Management fee income	**–**	–	**3,384,459**	2,211,700
Rental income	**–**	–	**526,068**	336,570
Loan interest charged by subsidiaries	**–**	–	**75,724**	80,331
Loan interest charged to subsidiaries	**–**	–	**130,667**	–
Accounting fee charged by subsidiary	**–**	–	**46,490**	36,801
Recharge of expenses by subsidiaries	**–**	–	**36,431**	12,469
Recharge of expenses to subsidiaries	**–**	–	**230,862**	125,222
Rental deposit received from subsidiaries	**–**	–	**–**	197,276
Receipt collected on behalf of subsidiaries	**–**	–	**–**	4,651
Settlement of liabilities on behalf by subsidiaries	**–**	–	**1,247,380**	934,583
Settlement of liabilities on behalf of subsidiaries	**–**	–	**20,000**	1,804,537
With related companies				
Office rental charged to related companies	**18,000**	11,516	**18,000**	11,516
Accounting fee charged to related companies	**38,566**	3,943	**–**	–
Loans from related company	**2,000,000**	–	**2,000,000**	–
Rental of office equipment charged by related companies	**76,800**	76,800	**–**	–
Rental deposit received from related companies	**–**	6,750	**–**	6,750
With Director of a subsidiary				
Issue of convertible bonds	**–**	2,000,000	**–**	–
Contractual interest expenses of convertible bonds	**108,274**	28,274	**–**	–

30. Significant related party transactions (Continued)

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	
	2014	2013	2014	2013
	$	$	$	$
Directors' fees	**326,000**	216,000	**326,000**	216,000
Short-term benefits	**4,439,964**	2,566,018	**1,253,959**	864,000
Post-employment benefits	**259,771**	149,335	**27,500**	27,700
Employee share option scheme	**50,686**	246,697	**21,954**	122,369
	5,076,421	3,178,050	**1,629,413**	1,230,069

The above includes the following remuneration to the Directors of the Company, directors of subsidiaries and head of functions:

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Directors of the Company				
Directors' fees	**326,000**	216,000	**326,000**	216,000
Short-term benefits	**1,284,518**	905,505	**1,253,959**	864,000
Post-employment benefits	**27,500**	27,700	**27,500**	27,700
Employee share option scheme	**21,954**	122,369	**21,954**	122,369
	1,659,972	1,271,574	**1,629,413**	1,230,069
Directors of a subsidiary				
Short-term benefits	**406,335**	548,824	**–**	–
Post-employment benefits	**15,900**	21,395	**–**	–
Employee share option scheme	**5,546**	31,083	**–**	–
	427,781	601,302	**–**	–
Other key management personnel				
Short-term benefits	**2,749,111**	1,111,689	**–**	–
Post-employment benefits	**216,371**	100,240	**–**	–
Employee share option scheme	**23,186**	93,245	**–**	–
	2,988,668	1,305,174	**–**	–
	5,076,421	3,178,050	**1,629,413**	1,230,069

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31. Contingent liabilities

Contingent liabilities, excluding any relating to business combination (Note 5), of which the probability of settlement is remote at the balance sheet date are as follows:

Group

Proposed spin-off and listing

Terratech Group Limited ("Terratech") has entered into service agreements with independent professional service providers for services to be rendered in respect to the proposed spin-off and listing of the mining business of the Group (Note 35). Fees services rendered shall be paid by issuance or transfer of existing shares of Terratech, by Terratech and the Company respectively, to these service providers. In the event of an IPO failure, these shares will be transferred back to Terratech and the Company respectively.

Company

The Company has provided the following guarantees at the end of the reporting period:

Bank guarantees

The Company has issued corporate guarantee for bank borrowing and finance lease payables of certain subsidiaries. These bank borrowings and finance lease payables amounted to $10,136,724 (2013: $8,894,578) at the balance sheet date.

Financial liabilities designated at FVTPL

In relation to the financial liabilities designated at FVTPL (Note 16), the Company has executed a guarantee in favour of the holders of the Bond ("Bondholders") in the following manner:

(a) to make payment on written demands of the Bondholders in respect of all monies due and owning by Terratech to the Bondholders in respect of the principal and interest accrued on the Bonds;
(b) grant put options to the Bondholders in respect of all the ordinary shares held by the Bondholders subsequent to the conversion of the Bonds into Ordinary Shares; and
(c) by pledging 51% of the Company's shares in Terratech to the Bondholders as collateral.

Financial support

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

32. Segment 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.

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, intangibles, 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.

During the financial year ended 31 March 2014, management decided to combine Specialist Engineering Services & Ground and Structural Engineering Services as Engineering Business.

The Group is primarily engaged in two (2013: three) business segments, namely:

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

b) Water-related and environmental business which comprise water treatment consultancy, manufacture of water treatment membranes and water quality monitoring.

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32. **Segment reporting** (Continued)

2014	Engineering business $	Water-related and environmental business $	Unallocated $	Elimination $	Consolidated $
Revenue					
External revenue	46,130,714	9,022,872	555,234	–	55,708,820
Inter-segment revenue	83,991	296,175	3,931,229	(4,311,395)	–
	46,214,705	9,319,047	4,486,463	(4,311,395)	55,708,820
Results					
Segment results	(998,081)	(3,496,265)	(8,726,441)	7,607,943	(5,612,844)
Finance costs	(359,523)	(397,609)	(1,854,703)	475,627	(2,136,208)
Loss before income tax	(1,357,604)	(3,893,874)	(10,581,144)	8,083,570	(7,749,052)
Income tax credit					122,849
Loss for the financial year					(7,626,203)
Capital expenditure					
Property, plant and equipment	1,058,503	4,471,236	1,843,946	–	7,373,685
Intangible assets	–	3,348,788	–	–	3,348,788
Prepayment for leasehold land use right	–	–	393,813	–	393,813
Significant non-cash items					
Fair value loss on financial liabilities designated at FVTPL	–	–	5,876,220	–	5,876,220
Depreciation and amortisation expenses	2,352,092	1,478,770	1,083,733	–	4,914,595
Assets and liabilities					
Assets	68,242,396	65,504,775	114,438,082	(84,436,215)	163,749,038
Liabilities	28,294,999	16,583,235	51,515,940	(30,158,986)	66,235,188
Unallocated asset					
– Current income tax recoverable					9,081
Unallocated liabilities					
– Current income tax payable					672,842
– Deferred tax liabilities					7,709,482
					74,617,512

32. Segment reporting (Continued)

2013	Engineering business $	Water-related and environmental business $	Unallocated $	Elimination $	Consolidated $
Revenue					
External revenue	47,421,271	3,537,036	–	–	50,958,307
Inter-segment revenue	661,196	811,194	2,341,888	(3,814,278)	–
	48,082,467	4,348,230	2,341,888	(3,814,278)	50,958,307
Results					
Segment results	3,837,839	(2,268,540)	(6,147,928)	907,029	(3,671,600)
Finance costs	(328,934)	(43,365)	(1,155,160)	80,330	(1,447,129)
Loss before income tax	3,508,905	(2,311,905)	(7,303,088)	987,359	(5,118,729)
Income tax credit					1,533,635
Loss for the financial year					(3,585,094)
Capital expenditure					
Property, plant and equipment	5,015,085	5,054,950	1,679,237	–	11,749,272
Intangible assets	–	84,207	–	–	84,207
Significant non-cash items					
Fair value loss on financial liabilities designated at FVTPL	–	–	2,119,113	–	2,119,113
Depreciation and amortisation expenses	2,688,966	1,557,236	446,522	(918,041)	3,774,683
Assets and liabilities					
Assets	64,307,754	44,246,115	94,261,095	(78,198,961)	124,616,003
Liabilities	25,416,833	9,902,172	47,246,712	(23,312,301)	59,253,416
Unallocated asset					
– Current income tax recoverable					18,250
Unallocated liabilities					
– Current income tax payable					102,639
– Deferred tax liabilities					2,966,321
					62,322,376

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32. Segment reporting (Continued)

Geographical information

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

	Revenue		Non-current assets	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Singapore	**49,258,798**	50,500,507	**20,118,688**	20,178,367
People's Republic of China	**5,362,665**	457,800	**50,402,648**	20,628,503
Malaysia	**1,087,357**	–	**10,241,456**	16,542,958
	55,708,820	50,958,307	**80,762,792**	57,349,828

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

Information about major customer

Revenue from one (2013: two) customer(s) amounts to $16,408,552 (2013: $25,989,304), arising from revenue from construction contracts and services rendered by the engineering business segment.

33. Financial instruments, financial risks and capital management

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

The Board of Directors 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 the risk is managed and measured. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

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

33.1 Credit risk

Credit risk refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group's and Company's major classes of financial assets are trade and other receivables, amounts due from contract customers and cash and cash equivalents.

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

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

The Group has significant concentration of credit risk. The trade receivables of the Group comprise ten (2013: five) debtors that accounted for approximately 37% (2013: 68%) of the total trade receivables amount as at 31 March 2014. The Company has no significant concentration of credit risk except for amounts due from subsidiaries in the Company's statement of financial position (Note 11).

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. The Group's and the Company's historical experience in the collection of receivables falls within the credit terms granted. Cash and fixed deposits that are neither past due nor impaired are placed with reputable commercial banks and financial institutions which are regulated in Singapore and PRC and has no history of default.

Financial assets that are either past due and/or impaired

There are no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of trade receivables that are past due but not impaired is as follows:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Past due 1 to 30 days	**702,156**	885,316	**1,177,214**	152,333
Past due 30 to 60 days	**251,688**	166,864	**221,811**	181,044
Past due 60 to 90 days	**7,854**	118,826	**221,811**	155,275
Past due over 90 days	**3,367,176**	120,285	**2,701,534**	1,383,654

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

33.1 Credit risk (Continued)

Financial assets that are either past due and/or impaired (Continued)

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Past due over 90 days	**121,614**	79,090	**–**	–

In relation to the corporate guarantees given by the Company for finance lease payables and banking credit facilities granted to its subsidiaries, the credit risk, being the principal risk to which the Company is exposed, represents the maximum loss that would be recognised upon default by the subsidiaries (Note 31). These guarantees are financial guarantee contracts as they require the Company to reimburse the lenders if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of the facilities drawn. The financial guarantees have not been recognised in the Company's separate financial statement as the Company does not consider it probable that a claim will be made against the Company under the guarantees and there is no present obligation for the Company to incur such costs from the past event of default.

33.2 Market risk

(i) Foreign currency risk

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

Currency risk arises within entities in the Group and the Company when transactions and balances are denominated in foreign currencies such as Singapore dollar ("$"), United States dollar ("USD"), Ringgit Malaysia ("MYR"), Hong Kong dollar ("HKD") and Chinese Renminbi ("RMB"). Exposure to foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Malaysia and PRC are managed primarily through natural hedge of the relevant foreign currencies.

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

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

33.2 Market risk (Continued)

(i) Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 3% (2013: 2%) change in Singapore dollar against the MYR, USD, Hong Kong dollar ("HKD") and RMB. The sensitivity analysis assumes an instantaneous 3% (2013: 2%) 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 MYR, USD, HKD and RMB are included in the analysis.

	Increase/(Decrease)	
	2014 Loss before tax $	**2013 Loss before tax $**
Group		
MYR against $		
– Strengthened	**37**	1,080
– Weakened	**(37)**	(1,080)
USD against $		
– Strengthened	**(21,170)**	(648)
– Weakened	**21,170**	648
HKD against $		
– Strengthened	**16,412**	–
– Weakened	**(16,412)**	–
RMB against $		
– Strengthened	**89,769**	(1,895)
– Weakened	**(89,769)**	1,895

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

33.2 Market risk (Continued)

(ii) Interest rate risk

Interest rate risk is that risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their fixed deposits and bank borrowings. The Company's loan at floating rates given by a subsidiary forms a natural hedge of the Group's fixed advance facility loan.

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

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk 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% (2013: 5%) change in the interest rates from the end of the reporting period, with all variables held constant.

If the interest rate increases or decreases by 5% (2013: 5%), the loss before income tax of the Group will increase or decrease by $39,141 (2013: $40,990).

33.3 Liquidity risk

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

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

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

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

33.3 Liquidity risk (Continued)

Contractual maturity analysis

	Carrying amount $	One year or less $	After one year to five years $	Over five years $	Total $
Group					
2014					
Financial assets					
Non-interest bearing					
Trade and other receivables	**12,080,720**	**11,107,821**	**972,899**	**–**	**12,080,720**
Amounts due from contract customers	**41,690,447**	**41,690,447**	**–**	**–**	**41,690,447**
Cash and cash equivalents	**15,631,276**	**15,631,276**	**–**	**–**	**15,631,276**
Interest bearing					
Fixed deposits	**5,272,970**	**5,286,791**	**–**	**–**	**5,286,791**
Staff loan	**4,560**	**4,742**	**–**	**–**	**4,742**
Total loans and receivables	**74,679,973**	**73,721,077**	**972,899**	**–**	**74,693,976**
Financial liabilities					
Non-interest bearing					
Trade and other payables	**14,858,166**	**14,858,166**	**–**	**–**	**14,858,166**
Interest bearing					
Bank borrowings	**21,257,562**	**17,428,466**	**6,078,145**	**387,742**	**23,894,353**
Finance lease payables	**4,131,234**	**2,627,960**	**1,634,865**	**69,681**	**4,332,506**
Financial liabilities at amortised cost	**40,246,962**	**34,914,592**	**7,713,010**	**457,423**	**43,085,025**
Interest bearing					
Convertible bonds	**14,390,259**	**1,200,000**	**16,200,000**	**–**	**17,400,000**
Total financial liabilities	**54,637,221**	**36,114,592**	**23,913,010**	**457,423**	**60,485,025**
Total net undiscounted financial assets/(liabilities)	**20,042,752**	**37,606,485**	**(22,940,111)**	**(457,423)**	**14,208,951**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

33.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Carrying amount $	One year or less $	After one year to five years $	Over five years $	Total $
Group					
2013					
Financial assets					
Non-interest bearing					
Trade and other receivables	8,061,111	7,055,420	1,005,691	–	8,061,111
Amounts due from contract customers	35,141,450	35,141,450	–	–	35,141,450
Cash and cash equivalents	16,190,995	16,190,995	–	–	16,190,995
Interest bearing					
Fixed deposits	4,368,574	4,381,754	–	–	4,381,754
Staff loan	18,825	19,578	–	–	19,578
Total loans and receivables	63,780,955	62,789,197	1,005,691	–	63,794,888
Financial liabilities					
Non-interest bearing					
Trade and other payables	14,541,644	14,541,644	–	–	14,541,644
Interest bearing					
Bank borrowings	17,997,719	13,139,555	6,675,504	1,362,560	21,177,619
Finance lease payables	5,656,277	2,926,234	2,937,996	117,047	5,981,277
Loan from a shareholder	2,000,000	2,072,333	–	–	2,072,333
Financial liabilities at amortised cost	40,195,640	32,679,766	9,613,500	1,479,607	43,772,873
Interest bearing					
Convertible bonds	13,187,071	600,000	17,400,000	–	18,000,000
Total financial liabilities	53,382,711	33,279,766	27,013,500	1,479,607	61,772,873
Total net undiscounted financial assets/(liabilities)	10,398,244	29,509,431	(26,007,809)	(1,479,607)	2,022,015

NOTES TO THE FINANCIAL STATEMENTS

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

33.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Carrying amount $	One year or less $	After one year to five years $	Over five years $	Total $
Company					
2014					
Financial assets					
Non-interest bearing					
Trade and other receivables	**17,785,521**	**17,785,521**	**–**	**–**	**17,785,521**
Cash and cash equivalents	**7,597,976**	**7,597,976**	**–**	**–**	**7,597,976**
Interest bearing					
Fixed deposits	**1,505,555**	**1,511,878**	**–**	**–**	**1,511,878**
Total loans and receivables	**26,889,052**	**26,895,375**	**–**	**–**	**26,895,375**
Financial liabilities					
Non-interest bearing					
Trade and other payables	**3,681,747**	**3,681,747**	**–**	**–**	**3,681,747**
Interest bearing					
Bank borrowings	**10,982,017**	**6,985,243**	**5,758,041**	**387,742**	**13,131,026**
Total financial liabilities at amortised cost	**14,663,764**	**10,666,990**	**5,758,041**	**387,742**	**16,812,773**
Total net undiscounted financial assets/(liabilities)	**12,225,288**	**16,228,385**	**(5,758,041)**	**(387,742)**	**10,082,602**
Company					
2013					
Financial assets					
Non-interest bearing					
Trade and other receivables	10,795,179	10,795,179	–	–	10,795,179
Cash and cash equivalents	1,359,911	1,359,911	–	–	1,359,911
Interest bearing					
Fixed deposits	1,500,454	1,505,555	–	–	1,505,555
Total loans and receivables	13,655,544	13,660,645	–	–	13,660,645
Financial liabilities					
Non-interest bearing					
Trade and other payables	5,052,807	5,052,807	–	–	5,052,807
Interest bearing					
Bank borrowings	11,924,236	6,845,174	6,675,505	1,362,560	14,883,239
Loan from a shareholder	2,000,000	2,072,333	–	–	2,072,333
Total financial liabilities at amortised cost	18,977,043	13,970,314	6,675,505	1,362,560	22,008,379
Total net undiscounted financial liabilities	(5,321,499)	(309,669)	(6,675,505)	(1,362,560)	(8,347,734)

The Company has not recognised in its financial statements the corporate guarantees issued for the facilities of certain subsidiaries of the Group (Note 31). The financial guarantees have not been allocated to the earliest period in which the guarantee could be called upon on as the Company does not consider it probable that a claim will be made against the Company (Note 33.1).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

33.4 Capital management policies and objectives

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

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 maintain an optimal capital structure so as to maximise shareholders' value.

Management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2013.

The Group monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as loans and borrowings, financial liabilities designated at FVTPL (convertible bonds), plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade and other payables	**15,852,994**	15,699,597	**3,816,424**	5,179,561
Bank borrowings	**21,257,562**	17,997,719	**10,982,017**	11,924,236
Finance lease payables	**4,131,234**	5,656,277	**–**	–
Loan from shareholder	**–**	2,000,000	**–**	2,000,000
Financial liabilities designated at FVTPL	**23,383,278**	17,119,113	**–**	–
Less: Cash and cash equivalents	**(20,904,246)**	(20,559,569)	**(9,103,531)**	(2,860,365)
Net debt	**43,720,822**	37,913,137	**5,694,910**	16,243,432
Total equity	**89,140,607**	62,311,877	**76,525,765**	54,770,055
Total capital	**132,861,429**	100,225,014	**82,220,675**	71,013,487
Gearing ratio	**32.9%**	37.8%	**6.9%**	22.9%

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

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

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2014 and 2013.

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

33.5 Fair value of assets and liabilities

Fair value of financial instruments that are not carried at fair value

Except as detailed in the following table, the carrying amounts of the Group's and the Company's financial assets and liabilities 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 bank borrowings and finance lease payables are disclosed in Notes 15 and 17 to the financial statements.

Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by the following fair value measurement hierarchy:

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

		Fair value measurements using			
	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Group					
2014					
Assets					
Property, plant & equipment					
– Leasehold properties	4	**–**	**7,480,559**	**21,403,079**	**28,883,638**
Land use right	6	**–**	**–**	**8,073,736**	**8,073,736**
Total assets		**–**	**7,480,559**	**29,476,815**	**36,957,374**
Liabilities					
Financial liabilities designated at FVTPL	16	**–**	**–**	**23,807,388**	**23,807,388**
Company					
2014					
Assets					
Property, plant & equipment					
– Leasehold property	4	**–**	**1,126,000**	**–**	**1,126,000**
Group					
2013					
Liabilities					
Financial liabilities designated at FVTPL	16	**–**	**–**	**17,331,168**	**17,331,168**

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

33.5 Fair value of assets and liabilities (Continued)

There were no transfer between levels during the period and no changes in the valuation techniques of the various classes of assets and financial liabilities during the financial year.

Level 2 fair value measurements

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

Leasehold properties

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

Level 3 fair value measurements

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

Description	**Valuation techniques used**	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value**
Property, plant and equipment – Leasehold property	Cost replacement approach The management considers the fair value of leasehold property based on physical deterioration and economic obsolescence of the leasehold property (factory building located in South Haibin 2 Road, East of West Zhushan Road, Jianan China), and replacement cost of improvements; with reference to valuation report performed by an independent valuer on 24 March 2014 prepared based on cost replacement method.	**Physical deterioration and economic obsolescence** Wear and tear and utilization of factory building are taken up into consideration. **Replacement cost of improvement** Budgeted cost to improve the factory building condition has been considered. **Market value** Market value as at 24 March 2014 approximates $21,403,079 based on valuation report performed by independent valuer has been taken into consideration.	The estimated fair value varies inversely against the physical deterioration and economic obsolescence rate. The estimated fair value increases with higher budgeted replacement cost of improvement. The estimated fair value increases with higher market value.

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

33.5 **Fair value of assets and liabilities** (Continued)

Level 3 fair value measurements (Continued)

Description	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Land use right	Income approach The management considers the fair value of land use right based on comparative land price and other considerations which are discussed in significant unobservable inputs; with reference to valuation report performed by an independent valuer on 27 March 2014 prepared based on income approach.	**Comparable land price** The price of comparable land with similar economic use which is available in the relevant market is taken up into consideration. **Expected benefits generated from the best use of land use right** Expected benefits generated from the factory building built for manufacturing and production of membranes for use in waste treatment systems and water treatment system with remaining tenure of 47 years are taken into consideration. **Market value** Market value as at 24 March 2014 approximates $8,073,736 based on valuation report performed by independent valuer has been taken into consideration.	The estimated fair value varies consistently with the comparable land price. The estimated fair value varies consistently with the expected benefits. The estimated fair value increases with higher market value.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

33.5 Fair value of assets and liabilities (Continued)

Level 3 fair value measurements (Continued)

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

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

33.5 Fair value of assets and liabilities (Continued)

Level 3 fair value measurements (Continued)

The following table represents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)		
	Leasehold properties $	**Land use right $**	**Financial liabilities designated at FVTPL $**
Group			
2014			
Opening balance	**–**	**–**	**17,331,168**
Addition[1]	**15,605,088**	**2,529,234**	**–**
Included in profit or loss			
– fair value adjustments of convertible bonds	**–**	**–**	**6,476,220**
Included in other comprehensive income			
– net surplus on revaluation of leasehold properties and land use right	**5,797,991**	**5,544,502**	**–**
Closing balance	**21,403,079**	**8,073,736**	**23,807,388**

(1) Arisen from change in valuation of leasehold properties and land use right from cost model to the revaluation model as at 31 March 2014, as discussed in Note 2.2.

Valuation policies and procedures

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

34. Reclassifications and comparatives

During the current year, the Group reclassified the following:

– the consolidated statement of comprehensive income to reclassify fair value changes in financial liabilities designated at FVTPL included in finance costs to other expenses.
– the consolidated statement of financial position to reclassify convertible bonds and derivative financial instruments presented as non-current and current liabilities respectively to current liability presented as financial liabilities designated at FVTPL.
– the consolidated statement of financial position to reclassify retention on construction contracts included in trade and other receivables and amounts due from contract customers presented as current assets to trade and other receivables presented as non-current assets.

	Group		
	Previously reported 2013 $	Movement $	After reclassification 2013 $
STATEMENTS OF FINANCIAL POSITION			
ASSETS			
Non-current assets			
Trade and other receivables	–	1,005,691	1,005,691
Current assets			
Trade and other receivables	7,830,902	(589,509)	7,241,393
Prepayments	728,559	1,152,839	1,881,398
Amounts due from contract customers	36,710,471	(1,569,021)	35,141,450
LIABILTIES			
Non-current liabilities			
Convertible bonds	14,234,146	(14,234,146)	–
Current liabilities			
Financial liabilities at FVTPL	–	17,119,113	17,119,113
Derivative financial instruments	2,884,967	(2,884,967)	–
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Other expenses	7,636,359	1,047,075	8,683,434
Finance costs	2,494,204	(1,047,045)	1,447,129

34. Reclassifications and comparatives (Continued)

	Group		
	Previously reported 2013 $	Movement $	After reclassification 2013 $
CONSOLIDATED STATEMENT OF CASH FLOWS			
Fair value loss on financial liabilities designated at FVTPL	1,072,038	1,047,075	2,119,113
Interest expense	2,366,822	(1,047,075)	1,319,747
Trade and other receivables	(6,930,596)	(1,152,839)	(8,083,435)
Prepayments	(182,802)	1,152,839	970,037
Trade and other payables	1,115,535	(1,230,248)	(114,713)
Cash absorbed by operations	(4,204,502)	(1,230,248)	(5,434,750)
Loan from ultimate holding company	–	9,090,000	9,090,000
Repayment of loan to ultimate holding company	–	(7,859,752)	(7,859,752)
Net cash from financing activities	18,174,114	1,230,248	19,404,362

Apart from the above, the reclassification has no effect on the reported income, expenses and profit or loss or net assets for the period reported. Accordingly, the management did not present the full statement of financial position of the Group at the beginning of the earliest comparative period.

35. Events subsequent to the reporting date

Proposed spin-off and listing of the Marble Business

On 11 June 2014, the Company convened an Extraordinary General Meeting ("EGM") and have obtained the approval for the proposed restructuring and spin-off of the Company's subsidiaries in the Marble Business in connection with the proposed listing of the Terratech Group on the Catalist Board of the SGX-ST ("Catalist"). Shareholders have also resolved and approved to empower directors of the Company to make necessary decisions in relation to the proposed spin-off and/or the proposed listing.

The Company announced on 20 June 2014 that it had entered into an agreement (the "Restructuring Agreement") with Terratech Group Limited ("Terratech") and Terratech Resources Pte Ltd ("Terratech Resources") in connection with the Proposed Restructuring.

Pursuant to the terms and conditions of the Restructuring Agreement, the proposed restructuring involved, *inter alia*, the following:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

35. Events subsequent to the reporting date (Continued)

Proposed spin-off and listing of the Marble Business (Continued)

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

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

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

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

(d) the Terratech Acquisition Consideration had been settled and satisfied by way of the allotment and issue of 49,999,999 new Terratech Shares, credited as fully paid up, to the Company (the "Consideration Shares").

Any remaining interest accruing on the principal amount of the Bonds for the period from 17 June 2014 up to and including the date of conversion shall be paid in cash by Terratech Resources to the Bondholders.

Pursuant to the completion of the proposed restructuring as aforesaid, Terratech now holds 100% of the enlarged issued and paid-up share capital of Terratech Resources of $24,543,367.50, comprising 245,433,675 ordinary shares in the share capital of Terratech Resources, and has become the immediate holding company of the Marble Business. The Company now holds 100% of the enlarged issued and paid-up share capital of Terratech of $4,300,000, comprising 430,000,000 ordinary shares of par value $0.01 each in the share capital of Terratech.

The share capital and shareholding of Terratech and the Company's shareholding interest in Terratech will be subject to further changes in view of the proposed spin-off and listing of Terratech and the conversion of the Bonds in connection therewith.

Acquisition of 49% equity interest

On 10 April 2014, the Group entered into a non-binding Memorandum of Understanding with Shandong Jining Water Supply Group Company Limited relating to the Company's proposed acquisition of a 49% equity interest in the share capital of Jining Zhongshan Public Water Utility Company Limited. The proposed acquisition has not been completed as at the date of the financial statements were authorised for issue.

Additional investment in a subsidiary

On 30 June 2014, a wholly owned subsidiary of the Company, SysEng (S) Pte Ltd, allocated and issued 1,400,000 ordinary shares amounting to $1,400,000 as fully paid up to the Company by way of bonus issue through the capitalisation of the subsidiary's retained profits.

STATISTICS OF SHAREHOLDINGS

AS AT 23 JUNE 2014

SHARE CAPITAL

Issued and Fully Paid-up Ordinary Share Capital	:	$67,062,774.42
Class of Ordinary Shares	:	Ordinary Shares
Number of Ordinary Shares	:	773,149,186
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	284	18.71	6,188	0.00
1,000 – 10,000	243	16.01	1,304,036	0.17
10,001 – 1,000,000	945	62.25	111,416,508	14.41
1,000,001 AND ABOVE	46	3.03	660,422,454	85.42
TOTAL	**1,518**	**100.00**	**773,149,186**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TRITECH INTERNATIONAL HOLDINGS PTE LTD	310,081,554	40.11
2	DMG & PARTNERS SECURITIES PTE LTD	66,490,000	8.60
3	OCBC SECURITIES PRIVATE LIMITED	31,178,072	4.03
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	29,848,016	3.86
5	UOB KAY HIAN PRIVATE LIMITED	29,571,032	3.82
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	29,107,000	3.76
7	AMFRASER SECURITIES PTE. LTD.	25,502,000	3.30
8	PHILLIP SECURITIES PTE LTD	23,237,056	3.01
9	RAFFLES NOMINEES (PTE) LIMITED	15,272,000	1.98
10	TAN CHIN HOCK	7,515,000	0.97
11	SEAH HOON HOON JUNE	7,000,000	0.91
12	KOH YEW CHOO	6,038,000	0.78
13	TAN GUAN HONG	6,026,126	0.78
14	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	5,255,000	0.68
15	CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,770,008	0.62
16	LIM & TAN SECURITIES PTE LTD	4,614,000	0.60
17	TAN THIAM CHYE	4,500,000	0.58
18	LIM BOK HOO	4,000,000	0.52
19	TAY BOON HUAT	3,490,000	0.45
20	HSBC (SINGAPORE) NOMINEES PTE LTD	3,300,000	0.43
	TOTAL	**616,794,864**	**79.79**

STATISTICS OF SHAREHOLDINGS

AS AT 23 JUNE 2014

SUBSTANTIAL SHAREHOLDERS

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	%	DEEMED INTEREST	%
1	Tritech International Holdings Pte Ltd	310,081,554	40.11	–	–
2	Wang Xiaoning[(1)]	–	–	310,081,554	40.11

Note:

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

Based on the information available to the Company as at 23 June 2014, approximately 59.7% of the ordinary issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

STATISTICS OF WARRANTHOLDINGS

AS AT 23 JUNE 2014

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 999	290	28.94	6,537	0.00
1,000 – 10,000	279	27.85	1,374,068	0.36
10,001 – 1,000,000	396	39.52	49,532,253	12.81
1,000,001 AND ABOVE	37	3.69	335,661,735	86.83
TOTAL	**1,002**	**100.00**	**386,574,593**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	TRITECH INTERNATIONAL HOLDINGS PTE LTD	155,040,777	40.11
2	DMG & PARTNERS SECURITIES PTE LTD	26,926,000	6.97
3	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	18,676,000	4.83
4	PHILLIP SECURITIES PTE LTD	14,491,323	3.75
5	AMFRASER SECURITIES PTE. LTD.	13,751,000	3.56
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	11,977,008	3.10
7	OCBC SECURITIES PRIVATE LIMITED	11,970,044	3.10
8	LIM & TAN SECURITIES PTE LTD	9,521,000	2.46
9	TAN CHIN HOCK	7,867,000	2.04
10	TAN THIAM CHYE	7,865,000	2.03
11	PEK CHOON HENG	6,101,000	1.58
12	TAN CHIN TUAN	5,425,500	1.40
13	UOB KAY HIAN PRIVATE LIMITED	4,070,016	1.05
14	TAN GUAN HONG	3,013,063	0.78
15	OH LIAN CHOO	3,000,000	0.78
16	TEO CHER KOON	3,000,000	0.78
17	LIM YI SHENN	2,750,000	0.71
18	ERIC TANN KAH HUAT	2,500,000	0.65
19	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	2,330,000	0.60
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,000,000	0.52
	TOTAL	**312,274,731**	**80.80**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting of the Company will be held at 31 Changi South Avenue 2, Singapore 486478 on Tuesday, 29 July 2014 at 9.30 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 March 2014 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$326,000 for the financial year ended 31 March 2014. **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**

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:

(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)*** **Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING

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

That:

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

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

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

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

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

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

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

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

(c) for purposes of this Resolution:

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

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

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

(f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution. ***(See Explanatory Notes)*** **Resolution 7**

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

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant options under the Tritech Group Employee Share Option Scheme (the "**Scheme**") and to issue from time to time such number of ordinary shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary Shares to be issued pursuant to the Scheme and the Plan (as defined below) collectively shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Notes)*** **Resolution 8**

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

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant awards under the Tritech Group Performance Share Plan (the "**Plan**") and to issue from time to time such number of shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the exercise of awards granted by the Company under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary Shares to be issued pursuant to the Scheme and the Plan collectively shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. ***(See Explanatory Notes)*** **Resolution 9**

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

By Order of the Board

Lee Pih Peng
Company Secretary

Singapore, 14 July 2014

NOTICE OF ANNUAL GENERAL MEETING

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, if re-elected as a Director of the Company, remain as a Non-Executive Director. In the event that the proposed listing of the Terratech Group on the Catalist Board of the SGX-ST takes place prior the forthcoming AGM, Dr Loh will cease to be a Director of the Company with effect from the Proposed Listing and the resolution for the re-election of Dr Loh to the Board to be tabled at the forthcoming AGM will not be proposed or seconded.

Resolution 4
Mr Lim Yeok Hua will, upon re-appointment as an Independent Director of the Company, remain as an Independent Director and a chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. Mr Lim Yeok Hua is considered by the Board of Directors to be independent for the purposes of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited.

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.

NOTICE OF ANNUAL GENERAL MEETING

Resolution 7

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

The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and an illustration on the financial impact of a purchase or acquisition of shares by the Company pursuant to the Share Buy Back Mandate on the audited accounts of the Group and the Company for the financial year ended 31 March 2014 are set out in greater detail in the Addendum to this annual report.

Resolution 8

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

Resolution 9

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

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

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

I/We, ____

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

Name	NRIC/Passport Number	Proportion of my/our 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, at the Annual General Meeting of the Company ("AGM") to be held at 31 Changi South Avenue 2, Singapore 486478 or Tuesday, 29 July 2014 at 9.30 a.m. I/We* direct my/our proxy/proxies* to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matters arising at the AGM.

No.	Ordinary Resolutions relating to	For**	Against**
Resolution 1	Directors' Report, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2014		
Resolution 2	Directors' fees of S$326,000 for the financial year ended 31 March 2014		
Resolution 3	Re-election of Dr Loh Chang Kaan as Director of the Company (if applicable)		
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	The proposed renewal of the Share Buy Back Mandate		
Resolution 8	Authority to issue Shares under the Tritech Group Employee Share Option Scheme		
Resolution 9	Authority to issue Shares under the Tritech Group Performance Share Plan		

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

Dated this ___________ day of _____________ 2014

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

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

Notes:

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

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

3. Where a member appoints two proxies, the appointments shall 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 the AGM 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.

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	*Non-Executive Director*
Mr Lim Yeok Hua	*Independent Director*
Mr Aw Eng Hai	*Independent Director*

NOMINATING COMMITTEE

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Lee Pih Peng, MBA, LLB

REGISTERED OFFICE

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

SHARE REGISTRAR

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

INDEPENDENT AUDITORS

BDO LLP
Public Accountants and Chartered Accountants
21 Merchant Road #05-01 | Singapore 058267
Partner-in-charge: Khoo Gaik Suan
(Appointed since the financial year ended 31 March 2014)

PRINCIPAL BANKERS

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

United Overseas Bank Limited
30 Tai Seng Street #02-07 | Bread Talk Building | Singapore 534013

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
20 Cecil Street | #21-02 Equity Plaza | Singapore 049705

TRITECH GROUP LIMITED

2 KAKI BUKIT PLACE #07-00
TRITECH BUILDING
SINGAPORE 416180
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