



**Securities Investors Association (Singapore)**

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UEN No: S99SS0111B

GST Reg No: M90367530Y

**Issuer:** Trittech Group Limited

**Security:** Trittech Group Limited

**Meeting details:**

Date: 30 July 2018

Time: 10.30 a.m.

Venue: 31 Changi South Avenue 2, Singapore 486478

**Company Description**

Trittech Group Limited, an investment holding company, engages in urban and environmental infrastructure, and water and environmental protection business in Singapore, the People's Republic of China, and Malaysia. The company offers geotechnical instrumentation and monitoring services; geotechnical and geological site explorations; investigations, analysis, and testing for general and infrastructure construction; design, consultancy, and project management services for infrastructure, environmental, geotechnical, civil, and rock engineering works; and products and related services, as well as supplies and installs geotechnical instruments. It also provides ground engineering services, such as soil improvement by jet grouting, design and installation of soil nails, ground anchors, and micro piles, as well as designing and building retaining wall systems for slope cutting and stabilization; basement evacuation services; and structural inspection and repair, and design and build services for post-tension systems for buildings and bridges. In addition, the company offers membranes for water treatment and desalination systems, and portable small-to-medium scale desalinators; produces bottled and alkaline drinking water and dispensers; markets related technologies, systems, and services; and supplies water quality monitoring products and services. Further, it engages in the quarrying, extraction, and production of dimension stones and other marble-related products; designing, developing, selling, and servicing electronic products; designing and developing automation and engineering systems; provision of remote water monitoring services; and general wholesale trade business, as well as in the wholesale and import of mineral resources. The company serves a range of industries, such as infrastructure, oil and gas, and commercial and residential property developments. Trittech Group Limited was founded in 1999 and is based in Singapore.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=5G9](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5G9))

1. As the group approaches its first decade of being listed on the Catalist board, its track record has been mixed, especially in the past few years.

Total consolidated loss after tax in FY2018 was \$(20.8) million.

In the past 6 years, the losses attributable to owners of the company are as follows:

FY2018 - \$(10,701,227)  
FY2017 - \$(15,469,637)  
FY2016 - \$(16,708,218)  
FY2015 - \$(29,177,285)  
FY2014 - \$(7,626,203)  
FY2013 - \$(3,585,094) (restated)

In the Corporate Profile (page 1 of the annual report), the group is described as one of few engineering groups in Singapore with the technical expertise and capabilities to provide services that span across the entire value chain and supported and led by an experienced management team of highly qualified professionals that includes eight PhD holders.

**Considering the performance of the group, would the board consider it timely to carry out a strategic review to assess the core competencies of the group, its management and its financial strength and to fine-tune its strategy so as to create long-term sustainable value for all the shareholders?**

2. Professor Yong Kwet Yew was first appointed to the board of directors on 9 June 2008.

**(i) As Professor Yong is also the chairman of the nominating committee (NC), can the NC confirm that Professor Yong was not involved in the particularly rigorous review of his own independence?**

Other than Professor Yong, Mr Aw Eng Hai, the other independent director of the company, was first appointed on 4 September 2009.

Notwithstanding that the board is of the view that Professor Yong is independent, Guideline 2.4 of the 2012 Code of Corporate Governance calls for the board to “also take into account the need for progressive refreshing of the Board”

The board has stated that it is “taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required” (page 28).

**(ii) What are the board’s near-term plans to refresh the board membership progressively and in an orderly manner, to avoid losing institutional memory?**

3. The remuneration committee comprises Professor Yong Kwet Yew (as chairman), Mr Aw Eng Hai and Dr Loh Chang Kaan.

In the disclosure related to remuneration in the Corporate Governance Report, the performance criteria used for executives and key management personnel were:

Table 9.6(b)		
Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as share scheme)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors	1. Commitment 2. Current market and industry practices
Quantitative	1. Relative financial performance of the Group to its industry peers 2. Productivity enhancement	1. Relative financial performance of the Group to its industry peers over a 5-year period

(Source: Company annual report)

- (i) Can the RC help shareholders understand how these performance conditions were selected?**
- (ii) How does the RC then monitor and evaluate the performance according to these indicators?**
- (iii) Would the RC share its rationale for using a relative financial performance under the quantitative performance conditions? Would the RC include an absolute financial performance measure as well?**
- (iv) The RC has reviewed and stated that it is satisfied that the performance conditions were met in FY2018 (page 45). Can the RC provide its justification that the performance conditions were met, especially on the quantitative performance conditions?**

A copy of the questions for the Annual Report for the financial year ended 31 March 2016 could be found here:

[https://sias.org.sg/index.php?option=com\\_qannualreports&view=qareports&filter\\_company=17](https://sias.org.sg/index.php?option=com_qannualreports&view=qareports&filter_company=17)

The company's response could be found here: -----



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