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PUNJ LLOYD ENGINEERING PTE. LTD.

(Incorporated in Singapore)

Co. Reg. No.: 200900657W

Financial Statements for the year ended
31 March 2015

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Akber Ali & Co.

Public Accountants and Chartered Accountants

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The directors submit the directors' report and the audited financial statements of the Company for the financial year ended 31 March 2015.

1. DIRECTORS

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

Manoj Soni (appointed on 15 April 2014)
Ashok Kumar Bhargava (appointed on 30 October 2014)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

3. DIRECTORS' INTEREST IN SHARES

The directors of the Company holding office at the end of the financial year had no interest of the share capital and debentures of the Company or of related corporations either at the beginning of the financial year, or at the end of the financial year as recorded in the register of director's shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, other than those disclosed in the financial statements.

5. SHARE OPTIONS

No options to take up unissued shares of the Company or its subsidiaries were granted during the financial year.

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

There were no unissued shares of the Company under option at the end of the financial year.

6. INDEPENDENT AUDITORS

Akber Ali & Co have expressed their willingness to accept re-appointment.

Signed by:

Manoj Soni
Director

Ashok Kumar Bhargava
Director

Singapore

In our opinion,

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the financial year then ended, and

(ii) at the date of this statement and with continuing financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed by:

Manoj Soni
Director

Ashok Kumar Bhargava
Director

Singapore

Independent Auditors' Report to the Members of
PUNJ LLOYD ENGINEERING PTE. LTD.
Co. Reg. No.: 200900657W

Report on the Financial Statements

We have audited the accompanying financial statements of PUNJ LLOYD ENGINEERING PTE. LTD. ("the Company") set out on pages 6 to 27, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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.

Opinion

In our opinion, the financial statements 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 Company as at 31 March 2015 and of the results, changes in equity and cash flows 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 have been properly kept in accordance with the provisions of the Act.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (a) to the financial statements. As at 31 March 2015, the Company's total liabilities exceeded its total assets by $85,442. The financial statements have been prepared on a going concern basis as the holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months. Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

Singapore

AKBER ALI & CO.
Public Accountants and Chartered Accountants

	Note	2015 $	2014 $
Turnover	4	8,923,234	574,527
Other income	5	20,224	451
Cost of sales		(7,690,665)	(559,568)
Staff costs	6	(494,107)	-
Other operating expenses	7	(725,953)	(88,056)
Depreciation of plant and equipment	10	(3,317)	-
Profit/(loss) before taxation		29,416	(72,646)
Taxation	8	-	-
Profit/(loss) after taxation		29,416	(72,646)
Other comprehensive income - Exchange difference on foreign operation		(3,441)	3,205
Total comprehensive income		25,975	(69,441)

The annexed notes form an integral part of the audited financial statements.

	Note	2015 $	2014 $
Share capital	9	1	1
Accumulated losses		(84,888)	(114,304)
Foreign currency translation reserve		(555)	2,886
		(85,442)	(111,417)
Represented by :			
NON-CURRENT ASSETS			
Plant and equipment	10	27,427	-
CURRENT ASSETS			
Cash and bank balances	11	212,013	50,263
Fixed deposits	12	18,096	16,825
Trade receivables	13	2,859,165	311,090
Other receivables and prepayments	14	2,472,714	112,552
		5,561,988	490,730
LESS : CURRENT LIABILITIES			
Trade payables	15	533,690	407,828
Other payables and accruals	16	5,071,928	125,080
Amount due to immediate holding company	17	32,341	32,341
Amount due to related parties	18	36,898	36,898
		5,674,857	602,147
NET CURRENT LIABILITIES		(112,869)	(111,417)
		(85,442)	(111,417)

The annexed notes form an integral part of the audited financial statements.

	Share capital $	Accumulated losses $	Foreign currency translation reserve $	Total $
Balance as at 31/3/2013	1	(41,658)	(319)	(41,976)
Total comprehensive income	-	(72,646)	3,205	(69,441)
Balance at 31/3/2014	1	(114,304)	2,886	(111,417)
Total comprehensive income	-	29,416	(3,441)	25,975
Balance at 31/3/2015	1	(84,888)	(555)	(85,442)

The annexed notes form an integral part of the audited financial statements.

	2015 $	2014 $
Cash flows from operating activities		
Profit/(loss) before taxation	29,416	(72,646)
Adjustment:		
Foreign currency translation reserve	(3,441)	3,205
Depreciation of plant and equipment	3,317	-
Bad debts	50,301	-
Operating cash flows before working capital changes	79,593	(69,441)
Working capital changes:		
Trade receivables	(2,598,376)	(258,770)
Other receivables and prepayments	(2,360,162)	(102,919)
Trade payables	125,862	-
Other payables and accruals	4,946,848	107,610
Net cash generated from operating activities	193,765	84,308
Cash flows from investing activities		
Purchase of plant and equipment	(31,472)	-
Foreign currency translation reserve	728	-
Net cash used in financing activities	(30,744)	-
Cash flows from financing activities		
Pledged fixed deposits	(1,271)	(6)
Amount due to related parties	-	(269,678)
Amount due to immediate holding company	-	(16,566)
Net cash used in financing activities	(1,271)	(286,250)
Net increase/(decrease) in cash and cash equivalents	161,750	(201,942)
Cash and cash equivalents at the beginning of the financial year	50,263	252,205
Cash and Cash Equivalents at the end of the financial year	212,013	50,263
Comprising of:		
Cash at bank	212,012	50,262
Cash in hand	1	1
	212,013	50,263

The annexed notes form an integral part of the audited financial statements.

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

1. Corporate Information

The Company is an exempt private company, incorporated and domiciled in Singapore.

The registered office of the Company is located at 9, Battery Road, #15-01 Straits Trading Building, Singapore 049910.

The principal activities of the Company are those of engineering and consultancy services.

There has been no significant change in the nature of these activities during the financial year. The Company has not traded during the financial year.

The financial statements of the Company for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors issued on the date of the directors' report.

This set of financial statements comprises of the Company's operations in Singapore and the operations of its Branch in Abu Dhabi.

The Company's Branch is Punj Lloyd Engineering Pte. Ltd., Abu Dhabi Branch, and is incorporated in the Emirates of Abu Dhabi in accordance with the provisions of the UAE Federal Commercial Law No. 8 of 1984 (as amended). The principal activities of the Branch are administrative consultancy in on-shore and off-shore oil and gas fields services**.** The principal place of business of the Branch is located at PO Box 28907, Abu Dhabi.

There has been no significant change in the nature of these activities during the financial year.

Immediate and Ultimate Holding Company

The Company's immediate holding Company is PL Engineering Limited., a company incorporated in India and its ultimate holding company is Punj Lloyd Limited, a company incorporated in India.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act.

2. Significant Accounting Policies - continued

(a) Basis of Preparation - continued

The financial statements of the Company are prepared in accordance with historical cost basis except as disclosed in the accounting policies below.

As at 31 March 2015, the Company's total liabilities exceeded its total assets by $85,442. The financial statements have been prepared on a going concern basis as the holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months. Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

The accounting policies adopted are consistent with those of the previous financial year.

New Accounting Standards and Interpretations

The Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations which become effective during the financial year. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial years beginning on or after 1 April 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company upon initial application.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised.

Construction Contracts
Revenue from construction contracts are recognised on the stage of completion method measure by reference to the progress of construction work.

2. Significant Accounting Policies - continued

(c) Employee Benefits

(i) *Defined Contribution Plan*

The Company participate in the national pension schemes as defined by the law of the countries in which it has operations. In particular, the Singapore companies contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Company's contributions to CPF are charged to the profit or loss in the financial year to which the contributions relate.

(ii) Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to reporting date.

(d) Income Taxes

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the financial years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the reporting date. At each reporting date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

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

2. Significant Accounting Policies - continued

(e) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line method so as to write off the cost of the plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

Computer and equipment	3 years

The residual values, if any, and useful lives of plant and equipment are reviewed and adjusted as appropriate at the each reporting date. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of plant and equipment.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

The cost of plant and equipment comprises its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/ losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment, if any. When plant and equipment are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

(f) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds it recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

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 the 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 or cash-generating unit.

2. Significant Accounting Policies - continued

(f) Impairment of Non-Financial Assets - continued

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Financial Assets

Financial assets, other than hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognised at fair value, plus transaction costs.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each reporting date to determine whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2. Significant Accounting Policies - continued

(g) Financial Assets - continued

Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date of the impairment is reversed. Any reversal is recognised in profit or loss.

Receivables are provided against when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

(h) Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

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

Financial assets carried at cost
If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Significant Accounting Policies - continued

(i) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand and bank balance with financial institutions which are subject to an insignificant risk of change in value.

(j) Contract Work-In-Progress

Contract work-in-progress comprises contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred where it is probable those cost will be recoverable. Contract costs are recognised when incurred. When the outcome of a contract can be estimated reliably, contract revenue and contract cost are recognised by using the stage of completion method. The stage of completion is measured by the reference to the proportion of contract work performed and certified by the quantity surveyors, where applicable, to the estimated total costs of contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as contract work-in- progress. The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised loss) exceed progress billings, the balance is shown as due from customers on contracts, under trade receivables. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on contracts, under trade payables.

(k) Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in profit or loss. Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any.

Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of borrowings using effective interest method. Borrowings which are due to be settled within twelve months after the reporting date are in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Company's normal operating cycle are considered as current.

2. Significant Accounting Policies - continued

(k) Financial Liabilities - continued

Other borrowings due to be settled more than twelve months after the reporting date are included in the non-current borrowings in the statement of financial position.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(n) Functional Currency and Foreign Currency Transactions

Functional Currency

Items included in the financial statements in the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Company are presented in Singapore Dollars ("SGD"), but the functional currency of the Company is UAE Dirham (AED).

Foreign Currency Transactions

Transactions in foreign currencies are measured in SGD and recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at statement of financial position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates. All resultant exchange differences are recognised in the profit or loss.

2. Significant Accounting Policies - continued

(o) Related Party

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

3. Critical Accounting Estimates, Assumptions and Judgments

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical Judgments in Applying the Company's Accounting Policies

Management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements.

Key Sources of Estimating Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Plant and Equipment

Plant and equipment are depreciated over their estimated useful live, which is based on estimated for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

3. Critical Accounting Estimates, Assumptions and Judgments - continued

<u>Key Sources of Estimating Uncertainty - continued</u>

Construction Contract
The Company recognises construction contract revenue and expenses in the profit and loss by using the stage of completion method. The stage of completion is determined by surveys of work done.

Significant judgment is required in determining the stage of completion, the extent of the construction contracts costs incurred the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts receivables. In making the judgment, the Company evaluates these based on the past experience ad by relying on the works of specialist.

4. Turnover

Turnover represents income from construction contracts.

5. Other Income

	2015 $	2014 $
Foreign exchange gains	9,926	69
Interest income	332	-
Others	9,966	382
	20,224	451

6. Staff Costs

	2015 $	2014 $
Staff salaries	309,265	-
Staff welfare	11,399	-
Staff accommodation	173,346	-
Others	97	-
	494,107	-

7. Other Operating Expenses

	2015 $	2014 $
Bad debts	50,301	-
Legal and professional charges	460,100	59,056
Travelling, conveyance and vehicle expenses	109,420	-
Software expenses	42,137	-
Others	63,995	29,000
	725,953	88,056

8. Taxation

	2015 $	2014 $
Current taxation: On the results for the year	-	-

Reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate for the financial years ended were as follows:

	2015 $	2014 $
Profit/(Loss) before Taxation	29,416	(72,646)
Adjustments:		
Tax calculated at a tax rate of 17% (2014: 17%)	5,001	(12,350)
Effect of tax on elimination of overseas operations	(6,484)	9,056
Expenses/Income not deducted/added for tax purpose	1,483	3,294
Tax expense	-	-

9. Share Capital

	2015 $	2014 $
Issued and fully paid		
Balance at beginning and at end of the financial year		
1 ordinary share	1	1

All issued ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual asset.

10. Plant and Equipment

	Computer and Equipment $
COST	
Balance as at 31.3.2013 and 31.3.2014	-
Additions	31,472
Foreign exchange difference	(814)
Balance as at 31.3.2015	30,658
ACCUMULATED DEPRECIATION	
Balance as at 31.3.2013 and 31.3.2014	-
Charged during the year	3,317
Foreign exchange difference	(86)
Balance as at 31.3.2015	3,231
NET CARRYING AMOUNT	
Balance as at 31.3.2015	27,427
Balance as at 31.3.2014	-

11. Cash and Bank Balances

As at 31 March, the following amounts are included in the Company's Cash and Bank Balances:

	2015 $	2014 $
UAE Dirhams (AED)	208,336	46,506
Singapore Dollars	3,677	3,757
	212,013	50,263

12. Fixed Deposits

The fixed deposit of $18,096 (2014: $16,825) is pledged as collateral for a commercial licence issued by the department of Economics Development, Abu Dhabi, for the setting up of a Branch. The fixed deposit is refundable upon the cancellation of the licence.

The fixed deposits are denominated in UAE Dirhams (AED).

13. Trade Receivables

	2015 $	2014 $
Third parties	2,154,463	194,814
Ultimate holding company	274,219	-
Related parties	430,483	116,276
	2,859,165	311,090

The average credit period on sale of services is 0 to 60 days (2014: 0 to 60 days). No interest is charged on trade receivables. The trade receivables are denominated in UAE Dirhams (AED).

14. Other Receivables and Prepayments

	2015 $	2014 $
Other receivables	2,066,858	110,593
Prepayments	405,856	1,959
	2,472,714	112,552

Other receivables include due from customers of $1,976,000 (2014: $103,165) representing services completed fully but not billed to the customers. The amount is recognised as per the internal assessment and in accordance with the terms of the contract. Invoicing is carried out upon approval from the customers.

The other receivables and prepayments are denominated in UAE Dirhams (AED).
The amount due from related parties are denominated in UAE Dirhams (AED).

15. Trade Payables

	2015 $	2014 $
Third parties	69,757	-
Related parties	463,933	407,828
	533,690	407,828

The average credit period on purchase of services is 0 to 60 days (2014: 0 to 60 days). No interest is charged on trade payables. The trade payables are denominated in UAE Dirhams (AED).

16. Other payables and Accruals

	2015 $	2014 $
Other payables	5,060,043	20
Accruals	11,885	125,060
	5,071,928	125,080

As at 31 March, the following amounts were included in the Company's other payables and accruals:

	2015 $	2014 $
UAE Dirhams (AED)	5,066,963	120,115
Singapore Dollars	4,965	4,965
	5,071,928	125,080

17. Amount Due to Immediate Holding Company

The amount due to immediate holding company is non-trade in nature, unsecured, interest free and is repayable on demand.

18. Amount Due to Related Parties

The amount due to related parties is non-trade in nature, unsecured, interest free and repayable upon demand.

19. Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are related party transactions during the financial year ended 31 March at terms and rates agreed between the parties:

Related party transactions with company in which there are common directors who has control and substantial financial interest:

	2015 $	2014 $
Ultimate holding company		
Revenue	1,555,877	-

19. Related Party Transactions - continued

	2015 $	2014 $
Related companies		
Revenue	991,827	-
Consultancy charges (cost of sales)	6,900,159	559,568

20. Contingent Liabilities

The Company had contingent liabilities towards outstanding guarantees amounting to $17,299 (AED50,000) (2014: $16,565 (AED50,000)) at the end of the financial year.

21. Financial Risk Management

The main risks arising from the the Company's financial instruments are as follows:

a) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Company.

The Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Customers' payment profile and credit exposure are continuously monitored by the management.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position The Company's major classes of financial assets are bank deposits and trade receivables and other receivables.

(i) Financial assets that are neither past due nor impaired
Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

(ii)Financial assets that are past due and/or impaired
There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due are as follows:

	2015 $	2014 $
Past due and impaired:		
Past due by 0 – 60 days	537,283	79,984
Past due by 61 – 90 days	302,789	5,827
Past due by Above – 91 days	284,630	40,108
	1,124,702	125,919

21. Financial Risk Management - continued

b) Liquidity risk

Liquidity risk arises in the general funding of the Company's business activities. It includes the risks of not being able to fund the business activities at settlement dates and liquidate assets in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the shareholders.

As at 31 March 2015, the Company's total liabilities exceeded its total assets by $85,442. The financial statements have been prepared on a going concern basis as the holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months. Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	On demand or within 1 year	
	2015	2014
	$	$
Trade payables	533,690	407,828
Other payables and accruals	5,071,928	125,080
Amount due to immediate holding company	32,341	32,341
Amount due to related parties	36,898	36,898

c) Market risk

Price risk

The Company has insignificant exposure to equity price risk as it does not hold any equity financial assets.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no significant exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. The Company does not use derivative financial instruments such as foreign currency forward exchange contracts and currency options.

21. Financial Risk Management - continued

c) Market risk - continued

Foreign currency risk - continued

The Company's currency exposure based on the information provided to key management were as follows:

	2015	2014
	AED	AED
Financial assets	$	$
Cash and bank balances	208,336	46,506
Fixed deposits	18,096	16,825
Trade receivables	2,859,165	311,090
Other receivables (**Note 14**)	2,066,858	110,593
	5,152,455	485,014
Financial liabilities		
Trade payables	533,690	407,828
Other payables and accruals	5,066,963	120,115
	(5,600,653)	(527,943)
Currency exposure	(448,198)	(42,929)

If the following currencies strengthens/weakens by 5% against the Singapore dollars with all other variables held constant the Company's profit after tax for the financial year ended 31 March would increase/(decrease) as following:

	2015	2014
	US$	US$
UAE Dirhams (AED)	(18,600)	(1,782)

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their bank borrowings. The Company does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. It is the Company's policy to obtain the most favourable interest rate available whenever the Company obtains additional financing through bank borrowings.

22. Financial Instruments

(a) Fair Values

The carrying amount of the financial assets and financial liabilities approximate their fair values. The Company does not anticipate that the carrying amounts recorded at statement of financial position date would be significantly different from the values that would eventually be received or settled.

(b) Classification of Financial Instruments

The following tables set out the classification of financial instruments at the end of the reporting financial years:

2015 **Financial Assets**	**Loans and receivables** **$**	**Liabilities at amortised cost** **$**
Cash and bank balances	212,013	-
Fixed deposits	18,096	-
Trade receivables	2,859,165	-
Other receivables (**Note 14**)	2,066,858	-
	5,156,132	-

Financial Liabilities	**Loans and receivables** **$**	**Liabilities at amortised cost** **$**
Trade payables	-	533,690
Other payables and accruals	-	5,071,928
Amount due to immediate holding company	-	32,341
Amount due to related parties	-	36,898
	-	5,674,857

2014 **Financial Assets**	**Loans and receivables** **$**	**Liabilities at amortised cost** **$**
Cash and bank balances	50,263	-
Fixed deposits	16,825	-
Trade receivables	311,090	-
Other receivables (**Note 14**)	110,593	-
	488,771	-

Financial Liabilities	**Loans and receivables** **$**	**Liabilities at amortised cost** **$**
Trade payables	-	407,828
Other payables and accruals	-	125,080
Amount due to immediate holding company	-	32,341
Amount due to related parties	-	36,898
	-	602,147

23. Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. The management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since last financial year.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables less cash and bank balances. Total capital is calculated as summation of total equity plus net debt.

	2015	**2014**
	$	**$**
Debt	5,674,857	602,147
Less: Cash and bank balances	(212,013)	(50,263)
Net debt	5,462,844	551,884
Total equity	(85,442)	(111,417)
Total capital	5,377,402	440,467
Gearing ratio	**102%**	**125%**

	2015 $	2014 $
Turnover	8,923,234	574,527
Cost of sales	(7,690,665)	(559,568)
Gross profit	1,232,569	14,959
Other income		
Foreign exchange gains	9,926	69
Interest income	332	
Others	9,966	382
	20,224	451
Staff costs		
Staff salaries	309,265	-
Staff welfare	11,399	-
Staff accommodation	173,346	-
Others	97	-
	(494,107)	-
Other operating expenses		
Bad debts	50,301	-
Audit fees	4,835	7,170
Advertisement and promotion	13,034	17,415
Bank charges	4,183	982
Foreign exchange losses	463	-
General expenses	36,238	3,433
Legal and professional charges	460,100	59,056
Printing and stationeries	5,242	-
Software expenses	42,137	-
Travelling, conveyance and vehicle expenses	109,420	-
	(725,953)	(88,056)
Depreciation of plant and equipment	(3,317)	-
Profit/(loss) before taxation	29,416	(72,646)