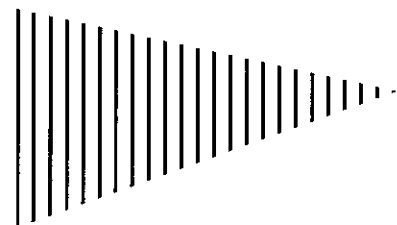


Company Registration No. 199202558G

Sembawang Development Pte Ltd

Annual Financial Statements
31 March 2015



Building a better
working world

Sembawang Development Pte Ltd

General information

Directors

Ajay Khajanchi	(appointed on 23 January 2015)
Jayarama Prasad Chalasani	(appointed on 20 April 2015)
Sachin Sudhirbhai Sheth	(resigned on 23 January 2015)
Luv Chhabra	(resigned on 10 April 2015)
Michael Heerdht	(resigned on 8 May 2015)

Secretary

Loh Lee Eng	(appointed on 24 March 2015)
Lick Lay Chen	(resigned on 23 December 2014)

Registered Office

5 Maxwell Road
#16-00 Tower Block
MND Complex
Singapore 069110

Auditor

Ernst & Young LLP

Bankers

United Overseas Bank

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Sembawang Development Pte Ltd

Directors' report

The directors are pleased to present their report to the member together with the audited financial statements of Sembawang Development Pte Ltd (the "Company") for the financial year ended 31 March 2015.

Directors

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

Ajay Khajanchi (appointed on 23 January 2015)
Jayarama Prasad Chalasani (appointed on 20 April 2015)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

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

Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than any emoluments received from a related corporation) 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.

Sembawang Development Pte Ltd

Directors' report

Share options

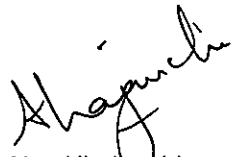
During the financial year there were:

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

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

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.



Ajay Khajanchi
Director



Jayarama Prasad Chalasani
Director

Singapore
18 May 2015


Sembawang Development Pte Ltd

Statement by directors

We, Ajay Khajanchi and Jayarama Prasad Chalasani, being two of the directors of Sembawang Development Pte Ltd (the "Company"), do hereby state that, in our opinion:

- (i) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity, and cash flow statement 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 the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and
- (ii) 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, as the immediate holding company has agreed to provide continuing financial support to the Company.


Ajay Khajanchi
Director


Jayarama Prasad Chalasani
Director

Singapore
18 May 2015

Sembawang Development Pte Ltd

**Independent auditor's report
For the financial year ended 31 March 2015**

Independent auditor's report to the member of Sembawang Development Pte Ltd

Report on the financial statements

We have audited the accompanying financial statements of Sembawang Development Pte Ltd (the "Company") set out on pages 6 to 31 which comprise the balance sheet as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and cash flow statement 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 balance sheets 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 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.

Sembawang Development Pte Ltd

**Independent auditor's report
For the financial year ended 31 March 2015**

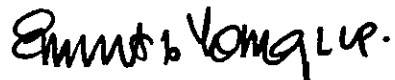
Independent auditor's report to the member of Sembawang Development Pte Ltd

Opinion

In our opinion, the financial statements 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 the results, changes in equity and cash flows of the Company for the 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.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

18 May 2015

Sembawang Development Pte Ltd

Statement of comprehensive income
For the financial year ended 31 March 2015

	Note	2015 \$	2014 \$
Revenue		-	-
Cost of sales		-	-
Gross margin		-	-
Administrative expenses		(13,250)	(5,613)
Other Income/(other expenses)		53,028	(34,789)
Profit/(loss) before taxation	3	39,778	(40,402)
Taxation	4	(1,720)	2,128
Profit/(loss) for the year		38,058	(38,274)

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

Sembawang Development Pte Ltd

**Balance sheet
As at 31 March 2015**

	Note	2015 \$	2014 \$
Non-current assets			
Investments in subsidiaries	5	6,000,001	6,000,001
Investment in an associate	7	10,000	10,000
Investment in joint venture	6	–	–
Loan to a subsidiary	8	22,599,000	22,599,000
Available-for-sale investment		6,405	6,405
		28,615,406	28,615,406
Current assets			
Other receivables		15,854	15,854
Amount due from a related party	10	31,022	30,140
Cash and cash equivalents		1,237	10,286
		48,113	56,280
Total assets		28,663,519	28,671,686
Current liabilities			
Amount due to a subsidiary	9	198,435	200,929
Amounts due to related parties	10	85,473	73,824
Payables and accruals	11	8,204	8,622
Provision for income tax		–	25
		292,112	283,400
Net current liabilities		(243,999)	(227,120)
Non-current liabilities			
Loans from immediate holding company	12	28,674,027	28,728,964
Loan from a subsidiary	13	5,355,000	5,355,000
		34,029,027	34,083,964
Total liabilities		34,321,139	34,367,364
Net liabilities		(5,657,620)	(5,695,678)
Equity			
Share capital	14	1,000,000	1,000,000
Accumulated losses		(6,657,620)	(6,695,678)
Total equity		(5,657,620)	(5,695,678)

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

Sembawang Development Pte Ltd

**Statement of changes in equity
For the financial year ended 31 March 2015**

	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 April 2013	1,000,000	(6,657,404)	(5,657,404)
Total comprehensive income for the year	–	(38,274)	(38,274)
Balance at 31 March 2014	1,000,000	(6,695,678)	(5,695,678)
Total comprehensive income for the year	–	38,058	38,058
Balance at 31 March 2015	1,000,000	(6,657,620)	(5,657,620)

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

Sembawang Development Pte Ltd

Cash flow statement
For the financial year ended 31 March 2015

	2015	2014
	\$	\$
Cash flows from operating activities		
Profit/(loss) before taxation	39,778	(40,402)
Adjustment for:		
Write-off of investment in subsidiaries	-	1
Operating cash flows before changes in working capital	39,778	(40,401)
Increase in trade and other receivables	-	(7,927)
Decrease in payables and accruals	(443)	(10,071)
Decrease in amount due to immediate holding company	-	(165)
Increase in amount due to/from related parties, net	8,273	1,085
Cash flows used in operations	47,608	(57,479)
Income tax (payment)/credit	(1,720)	2,128
Net cash flows used in operating activities	45,888	(55,351)
Cash flows used in financing activity		
Loans (repayment)/from immediate holding company	(54,937)	51,203
Net cash flows generated from financing activity	(54,937)	51,203
Net decrease in cash and cash equivalents	(9,049)	(4,148)
Cash and cash equivalents at beginning of financial year	10,286	14,434
Cash and cash equivalents at end of financial year	1,237	10,286

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

Sembawang Development Pte Ltd

Notes to the financial statements For the financial year ended 31 March 2015

1. Corporate information

Sembawang Development Pte Ltd (the "Company") is a private limited company incorporated in Singapore. The Company's registered office and principal place of business is at 5 Maxwell Road, #16-00 Tower Block, MND Complex, Singapore 069110.

The principal activities of the Company are those relating to the investment holding, owning, developing, leasing, marketing and managing of real estates.

The immediate and ultimate holding company are Sembawang Engineers and Constructors Pte Ltd, a company incorporated in Singapore, and Punj Lloyd Limited ("PLL"), a company incorporated in India, respectively.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company are prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore Dollars (SGD or \$).

Consolidated financial statements have not been presented as the Company is itself a wholly-owned subsidiary of another company incorporated in Singapore, Sembawang Engineers and Constructors Pte Ltd ("SEC") and complete financial information of subsidiary is available to the immediate holding company for the preparation of consolidated financial statements. The consolidated financial statements of SEC are available at its registered office situated at 460 Alexandra Road, #27-01 PSA Building, Singapore 119963.

2.2 *Fundamental accounting concepts*

The Company's current and total liabilities exceed its current and total assets by \$243,999 and \$5,657,620 (2014: \$227,120 and \$5,695,678) respectively. The financial statements of the Company have been prepared under the going concern concept because the immediate holding company has agreed to continue financing the operations of the Company and to provide adequate funds to the Company to meet its liabilities as and when they fall due.

2.3 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2014. The adoption of these standards did not have any effect on the financial performance or position of the Company.

Notes to the financial statements
For the financial year ended 31 March 2015

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 <i>Share Based Payment</i>	1 July 2014
(b) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(c) Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
(d) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(e) Amendments to FRS 16 <i>Property, Plant and Equipment</i> and FRS 38 <i>Intangible Assets</i>	1 July 2014
(f) Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(b) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(c) Amendments to FRS 40 <i>Investment Property</i>	1 July 2014
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 1: <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 16 <i>Property, plant and equipment</i> and FRS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interest in Joint Operations</i>	1 January 2016
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
(d) Amendments to FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

Sembawang Development Pte Ltd

**Notes to the financial statements
For the financial year ended 31 March 2015**

2. Summary of significant accounting policies (cont'd)

2.4 Standards issued but not yet effective (cont'd)

The nature of the impending changes in accounting period on adoption of FRS 109 and FRS 115 are described below:

FRS 109 Financial Instruments

FRS 109 *Financial Instruments* replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

Except for the above, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency

(a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) Foreign currency transactions

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

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

2.6 Subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Investment in subsidiary is accounted for at cost less any impairment losses. At the end of each reporting period, the Company assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated and an impairment loss is made.

2.7 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Company has significant influence. Investments in associates are accounted for at cost less any impairment losses.

2.8 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Investments in joint venture are accounted for at cost less any impairment losses.

2. Summary of significant accounting policies (cont'd)

2.9 *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

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

2. Summary of significant accounting policies (cont'd)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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 incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor 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.

2. Summary of significant accounting policies (cont'd)

2.12 Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised 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 derecognition 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.

2.13 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.12 *Income taxes (cont'd)*

(b) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at each end of the reporting period.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd)

2.13 *Income taxes (cont'd)*

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.14 *Revenue*

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.

2.15 *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to 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 Company or of a parent of the Company.

2. Summary of significant accounting policies (cont'd)

2.15 *Related parties (cont'd)*

(b) An entity is related to 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 venture 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).

2.16 *Significant accounting estimates and judgements*

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Sembawang Development Pte Ltd**Notes to the financial statements
For the financial year ended 31 March 2015**

3. Profit/(loss) before taxation

Profit/(loss) before taxation is stated after crediting/(charging):

	2015	2014
	\$	\$
Write-off of investment in a subsidiary	–	1
Write-back of allowance for doubtful loan from subsidiaries	8,752,493	–
Impairment loss on investment in subsidiaries	(8,750,000)	–
Foreign exchange gain/(loss) arising on translation of long-term loans to an associate and amount due to related party	50,535	(34,789)
	<u>50,535</u>	<u>(34,789)</u>

4. Taxation

	2015	2014
	\$	\$
Under/(over) provision in respect of previous year	1,720	(2,128)
	<u>1,720</u>	<u>(2,128)</u>

The reconciliation between taxation and the product of accounting profit/(loss) multiplied by the applicable tax rate for the years ended 31 March are as follows:

Profit/(loss) before taxation	39,778	(40,402)
Tax at statutory tax rate of 17% (2014: 17%)	6,762	(6,868)
Adjustments:		
Income not subject to taxation	(1,496,515)	–
Non-deductible expenses	1,487,500	6,868
Under/(over) provision in respect of previous year	1,720	(2,128)
Other	2,252	–
Tax (credit)/expense recognised in profit or loss	<u>1,720</u>	<u>(2,128)</u>

Sembawang Development Pte Ltd

**Notes to the financial statements
For the financial year ended 31 March 2015**

5. Investments in subsidiaries

	2015	2014
	\$	\$
Unquoted equity shares, at cost	15,217,591	6,467,592
Less: Write-off of investment in a subsidiary	–	(1)
Less: Impairment losses	(9,217,590)	(467,590)
	<u>6,000,001</u>	<u>6,000,001</u>

	Name of company (Country of incorporation)	Principal activities	Effective interest held	
			2015	2014
			%	%
**	Sembawang Libya General Contracting & Investment Company (Libya)	Engineering, and construction works	65	65
*	Contech Trading Pte Ltd (Singapore)	Engineering, and construction works	100	100
**	Construction Technology (B) Sdn Bhd (Brunei)	Engineering, and construction works	100	100
*	Sembawang Mining Kekal Pte Ltd (Singapore)	Investment holding	100	100

* Audited by Ernst & Young LLP, Singapore.

** Audited by other firms of Certified Public Accountants.

Sembawang Development Pte Ltd**Notes to the financial statements
For the financial year ended 31 March 2015****6. Investment in a joint venture**

	2015	2014
	\$	\$
Unquoted equity shares, at cost	4,700,220	4,700,220
Less: Impairment losses	(4,700,220)	(4,700,220)
	—	—

Details of the joint venture are as follows:

Name of company	Country of incorporation	Principal activities	Effective interest held	
			2015	2014
			%	%
* Sembawang Precast System LLC	United Arab Emirates	Engineering, and construction works	50	50

* Audited by Ernst & Young Dubai.

The aggregate amounts of each of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Company's interests in the jointly-controlled entity are as follows:

	2015	2014
	\$	\$
<i>Assets and liabilities</i>		
Current assets	962,753	895,369
Total assets	962,753	895,369
Current liabilities	3,638,029	3,381,049
Total liabilities	3,638,029	3,381,049
<i>Income and expenses</i>		
Income	—	—
Cost and expenses	631	1,163,295

Sembawang Development Pte Ltd

**Notes to the financial statements
For the financial year ended 31 March 2015**

7. Investment in an associate

	2015	2014
	\$	\$
Unquoted equity shares, at cost	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

Details of the associate are as follows:

Name of company	Country of incorporation	Effective equity interest held	
		2015	2014
		%	%
* Reco Sin Han Pte Ltd	Singapore	20	20

* Audited by PricewaterhouseCoopers, Singapore

The Company has not equity accounted for its share of results in Reco Sin Han Pte Ltd since previous years and the entity is not significant to the Company.

8. Loan to subsidiary

Loan to subsidiary relates to a loan that is non-trade related, non-interest bearing and is not expected to be repaid within the next year.

9. Amounts due to a subsidiary

Amounts due to a subsidiary are unsecured, non-trade related, interest free and repayable upon demand.

10. Amounts due from/(to) related parties

Amounts due from/(to) related parties are unsecured, non-trade related, interest free and repayable upon demand.

Included in amount due from related party is \$12,471 (2014: \$11,589) denominated in United States Dollar.

Included in amounts due to related parties are \$76,259 (2014: \$64,931) and \$2,849 (2014: \$2,952) denominated in United Arab Emirates Dirham and Malaysian Ringgit respectively.

Sembawang Development Pte Ltd

**Notes to the financial statements
For the financial year ended 31 March 2015**

11. Payable and accruals

	2015	2014
	\$	\$
Accrued operating expenses	8,204	8,622

12. Loans from immediate holding company

The long term loans from immediate holding company are unsecured, interest-free, and are not required to be repaid within the next 12 months.

13. Loan from a subsidiary

The long term loan from a subsidiary is unsecured, interest-free, and is not required to be repaid within the next 12 months.

14. Share capital

	2015	2014
	\$	\$
Issued and fully paid ordinary shares:		
1,000,000 ordinary shares	1,000,000	1,000,000

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

15. Significant related party transactions

Except for related party information disclosed elsewhere in the financial statements, there are no other significant transactions that took place during the year at terms agreed between the parties (2014: nil).

16. Financial risk management objectives and policies

Exposure to credit, foreign currency and liquidity risk arises in the normal course of the Company's business. The Company has risk management policies which set out its overall business strategies, its tolerance of risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are reviewed by the management with sufficient regularity to ensure that the Company's policy guidelines are adhered to.

No changes were made in financial risk management objectives and policies during the year.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount as and when necessary. The Company does not require collateral in respect of financial assets.

At the end of the reporting period, there is no significant concentration of credit. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Notes to the financial statements
For the financial year ended 31 March 2015

16. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year \$	Over 5 years \$	Total \$
2015			
Financial assets:			
Loan to a subsidiary	–	22,599,000	22,599,000
Amount due from related party	31,022	–	31,022
Other receivables	15,854	–	15,854
Cash and cash equivalents	1,237	–	1,237
Available –for-sale investments	–	6,405	6,405
Total undiscounted financial assets	48,113	22,605,405	22,653,518
Financial liabilities			
Amount due to a subsidiary	198,435	–	198,435
Amounts due to related parties	85,473	–	85,473
Payables and accruals	8,204	–	8,204
Loans from immediate holding company	–	28,674,027	28,674,027
Loan from a subsidiary	–	5,355,000	5,355,000
Total undiscounted financial liabilities	292,112	34,029,027	34,321,139
Total net undiscounted financial liabilities	(243,999)	(11,423,622)	(11,667,621)

Sembawang Development Pte Ltd**Notes to the financial statements
For the financial year ended 31 March 2015****16. Financial risk management objectives and policies (cont'd)**

	Within 1 year \$	Over 5 years \$	Total \$
2014			
Financial assets:			
Loan to a subsidiary	–	22,599,000	22,599,000
Amount due from related party	30,140	–	30,140
Other receivables	15,854	–	15,854
Cash and cash equivalents	10,286	–	10,286
Available-for-sale investments	–	6,405	6,405
Total undiscounted financial assets	56,280	22,605,405	22,661,685
Financial liabilities			
Amount due to a subsidiary	200,929	–	200,929
Amounts due to related parties	73,824	–	73,824
Payables and accruals	8,647	–	8,647
Loans from immediate holding company	–	28,728,964	28,728,964
Loan from a subsidiary	–	5,355,000	5,355,000
Total undiscounted financial liabilities	283,400	34,083,964	34,367,364
Total net undiscounted financial liabilities	(227,120)	(11,478,559)	(11,705,679)

Foreign currency risk

Exchange differences arising from the translation of monetary items that, in substance, form part of the Company's net investments in the associates are recognised in profit or loss. The Company does not have any policy to hedge its foreign currency risks.

16. Financial risk management objectives and policies (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit net of tax to a reasonably possible change in the USD exchange rates against SGD with all other variables held constant.

		Increase/(decrease) in profit net of tax	
		2015	2014
		\$	\$
USD/SGD	- strengthened 3%	311	243
	- weakened 3%	(311)	(243)
MYR/SGD	- strengthened 3%	(71)	(62)
	- weakened 3%	71	62
AED/SGD	- strengthened 3%	(1,899)	(1,488)
	- weakened 3%	1,899	1,488

17. Fair value of financial instruments

Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, payables and accruals, and amount due from/(to) related corporation based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The loans to subsidiary and loans from immediate holding company and subsidiary have no repayment terms. Accordingly, the fair value of the amount is not determinable as the timing of the future cash flows cannot be estimated reliably.

Sembawang Development Pte Ltd

Notes to the financial statements
For the financial year ended 31 March 2015

17. Fair value of financial instruments (cont'd)

Classification of financial instruments

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements.

	Loans and receivables	Available- for-sale investment	Non- financial assets	Total
	\$	\$	\$	\$
2015				
Assets				
Investment in subsidiary	–	–	6,000,001	6,000,001
Investments in associate	–	–	10,000	10,000
Available-for-sale investment	–	6,405	–	6,405
Other receivables	15,854	–	–	15,854
Loan to subsidiary	22,599,000	–	–	22,599,000
Amount due from a related party	31,022	–	–	31,022
Cash and cash equivalents	1,237	–	–	1,237
	<u>22,647,113</u>	<u>6,405</u>	<u>6,010,001</u>	<u>28,663,519</u>

	Financial liabilities at amortised cost	Non- financial liabilities	Total
	\$	\$	\$
2015			
Liabilities			
Amount due to a subsidiary	198,435	–	198,435
Amounts due to related parties	85,473	–	85,473
Payables and accruals	8,204	–	8,204
Loans from immediate holding company	28,674,027	–	28,674,027
Loan from a subsidiary	5,355,000	–	5,355,000
	<u>34,321,139</u>	<u>–</u>	<u>34,321,139</u>

Sembawang Development Pte Ltd

Notes to the financial statements
For the financial year ended 31 March 2015

17. Fair value of financial instruments (cont'd)

	Loans and receivables	Available- for-sale investment	Non- financial assets	Total
	\$	\$	\$	\$
2014				
Assets				
Investment in subsidiary	–	–	6,000,001	6,000,001
Investments in associate	–	–	10,000	10,000
Available-for-sale investment	–	6,405	–	6,405
Other receivables	15,854	–	–	15,854
Loan to subsidiary	22,599,000	–	–	22,599,000
Amount due from a related party	30,140	–	–	30,140
Cash and cash equivalents	10,286	–	–	10,286
	<u>22,656,280</u>	<u>6,405</u>	<u>6,010,001</u>	<u>28,671,686</u>

	Financial liabilities at amortised cost	Non- financial liabilities	Total
	\$	\$	\$
2014			
Liabilities			
Amount due to a subsidiary	200,929	–	200,929
Amounts due to related parties	73,824	–	73,824
Payables and accruals	8,622	–	8,622
Provision for income tax	–	25	25
Loans from immediate holding company	28,728,964	–	28,728,964
Loan from a subsidiary	5,355,000	–	5,355,000
	<u>34,367,339</u>	<u>25</u>	<u>34,367,364</u>

Sembawang Development Pte Ltd

**Notes to the financial statements
For the financial year ended 31 March 2015**

18. Capital management

The primary objective of the Company's capital management is to ensure that an appropriate capital structure is maintained in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustment to it, in the light of changes in economic conditions and capital markets. To maintain or adjust the capital structure, the Company may adjust the capital distribution to shareholders, or effect long-term loans as and when appropriate. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2015 and 31 March 2014.

19. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 18 May 2015.

