SEMBAWANG ENGINEERS
AND CONSTRUCTORS PTE. LTD.

(Judicial Managers Appointed)
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

J. TAN & CO.
Public Accountants and Chartered Accountants

CORPORATE INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	8 Shenton Way, #50-01 AXA Tower Singapore 068811	
DIRECTOR	Atul Punj	
	Ajay Khanjanchi	(Appointed on 18 October 2016)
	Janardhanan Sundaresan	(Resigned on 19 October 2016)
	Sandeep Srivastava	(Resigned on 24 July 2016)
	Harish Kumar	(Resigned on 5 May 2016)
COMPANY SECRETARY	Lim Hai Loon	
INDEPENDENT AUDITOR	J. TAN & CO. *Public Accountants and Chartered Accountants*	

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DIRECTORS' STATEMENT

for the financial year ended 31 March 2017

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2017.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements set out on pages 6 to 47 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017, and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date;

(b) at the date of this statement, there are reasonable grounds to believe that the Company may not be able to pay its debts fully as and when they fall due, as the company is currently under judicial management;

(c) the observations of the auditor have been fully explained in Note 2.2, 4 and 26 of notes to financial statements; and

(d) these financial statements have been prepared based on the books and records maintained by us till 26th June 2016 on which date the Judicial Manager was appointed and for period post the said date, the relevant information were provided by the Judicial Managers.

2 DIRECTORS

The directors of the Company in office before the appointment of the Judicial Managers are as follows:

Atul Punj	
Ajay Khanjanchi	*(Appointed on 18 October 2016)*
Janardhanan Sundaresan	*(Resigned on 19 October 2016)*
Sandeep Srivastava	*(Resigned on 24 July 2016)*
Harish Kumar	*(Resigned on 5 May 2016)*

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at anytime 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 or debentures of the Company or any other body corporate, except for the following disclosures of directors' interests in shares or debentures.

4 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at before the appointment of Judicial Managers had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Ordinary shares			
	Shareholdings registered in the names of the director or nominee		Shareholdings in which a director is deemed to have an interest	
	At end of year	At beginning of year	At end of year	At beginning of year
Punj Lloyd Limited (Ultimate Holding Company)				
(Ordinary shares of Rps 2 each)				
Atul Punj	1,431,360	1,431,360	97,544,447	97,839,775

5 SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

6 INDEPENDENT AUDITOR

The independent auditor, **J. TAN & CO.**, ***Public Accountants and Chartered Accountants*** has expressed its willingness to accept re-appointment.

Sembawang Engineers and Constructors Pte. Ltd (Judicial Managers Appointed)

Atul Punj
Director

Ajay Khajanchi
Director

Singapore, 31 JUL 2017

Disclaimer: The Judicial Managers take no position on the accuracy or the basis of the information contained in the audited financial statements of Sembawang Engineers and Constructors Pte. Ltd (Judicial Managers Appointed).

INDEPENDENT AUDITOR'S REPORT

to the members of

Sembawang Engineers and Constructors Pte. Ltd. (Judicial Managers Appointed)

for the financial year ended 31 March 2017

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of **Sembawang Engineers and Constructors Pte. Ltd. (Judicial Managers Appointed)** (the "Company"), which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Company. Due to the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Going Concern

As disclosed in Note 26, the Company is under judicial management since 27 June 2016. Subsequent to the year end, the judicial managers filed an application to the High Court to liquidate the Company and adjudication has been scheduled to be heard on 7 August 2017. Should the application be approved, the Company would not be able to continue as a going concern and be liquidated.

Further, the Company incurred a net loss of $10,796,000 (2016: ($211,393,000) for the financial year ended 31 March 2017 and as at that date, the Company is in a net total liability and net current liability positions of $95,360,000 (2016: $84,564,000) and $96,469,000 (2016: $85,912,000) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

If the the Company is unable to continue in operational existence, the Company may be unable to discharge their liabilities in the normal course of business and, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may need to reclassify non-current assets and liabilities as current assets and liabilities. As disclosed in Note 2.2, the directors have prepared these financial statements on the going concern basis, and no such adjustments have been made to the financial statements.

Based on the information available to us, we are unable to perform procedures to obtain support for the assumptions disclosed in that note and consequently, we are unable to conclude as to the appropriateness of the use of going concern assumption in the preparation of these financial statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Basis for Disclaimer of Opinion (Continued)

2. Limitation on scope of audit

   We are unable to obtain authorisation from the judicial managers to communicate direct with the relevant banks to obtain appropriate audit evidence and access to the accounting records and bank statements for the period subsequent to the Company being placed under judicial management on 27 June 2016 in regards to the bank accounts and balances relating to funds under their management and control. We were also unable to satisfy ourselves by alternative means to rectify these deficiencies.

   As a result of this limitation on the scope of the audit, which may have material and pervasive effects on the financial statements and in the absence of further information and alternative procedures, we are, hence, unable to obtain sufficient appropriate audit evidence necessary for us to ascertain the appropriateness of the carrying amounts of various financial statements items, including, and not limited to bank balances, stated in the statement of financial position at an amount of $2,478,000 as at 31 March 2017; the appropriateness of the amounts of interest and other income and expenses recorded during the financial year; as well as the completeness and appropriateness of the disclosures made in the financial statements. Accordingly, we were also unable to determine the consequential tax impact, if any, arising from any necessary adjustments and the appropriateness and completeness of disclosures made in the financial statements for the financial year.

Other Information

Management is responsible for the other information. The other information comprises the directors' statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Director 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

to the members of

Sembawang Engineers and Constructors Pte. Ltd. (Judicial Managers Appointed)

for the financial year ended 31 March 2017

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, in view of the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether 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.

J. TAN & CO.
Public Accountants and Chartered Accountants

Singapore, 31 JUL 2017

STATEMENT OF FINANCIAL POSITION

as at 31 March 2017

	Note	2017	2016
		$'000	$'000
ASSETS			
Current assets			
Cash and short-term deposits	4	**2,478**	1,009
Trade receivables	5	**11**	9,849
Other receivables and deposits	6	**459**	732
Amount due from related parties	7	**94,225**	94,196
		97,173	105,786
Non-current assets			
Plant and equipment	8	**-**	-
Intangible assets	9	**-**	-
Loans to subsidiaries	10	**-**	-
Interests in subsidiaries	11	**2,379**	2,618
Deferred tax asset	15	**-**	-
		2,379	2,618
Total assets		**99,552**	108,404
LIABILITIES			
Current liabilities			
Trade and other payables	12	**132,704**	132,640
Amount due to related parties	13	**20,883**	23,073
Borrowings	14	**37,332**	33,262
Current income tax liabilities	20	**2,723**	2,723
		193,642	191,698
Non-current liabilities			
Deferred tax liabilities	15	**1,270**	1,270
		1,270	1,270
Total liabilities		**194,912**	192,968
Net liabilities		**(95,360)**	(84,564)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	16	**186,425**	186,425
Currency translation reserve	17	**(346)**	(3,073)
Accumulated losses		**(281,439)**	(267,916)
Total equity		**(95,360)**	(84,564)

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2017

	Note	2017	2016
		$'000	$'000
Revenue	18	**-**	30,818
Cost of sales		**(550)**	(66,642)
Gross loss		**(550)**	(35,824)
Other income and other gains and losses		**(303)**	13,813
Administrative expenses		**(10,980)**	(140,109)
Finance costs		**(1,690)**	(2,330)
Other expenses		**-**	(44,715)
Loss before income tax	19	**(13,523)**	(209,165)
Income tax credit	20	**-**	24
Loss for the year		**(13,523)**	(209,141)
Other comprehensive income / (loss):			
Foreign currency translation arising from translation of financial statements of overseas operations		**2,727**	(2,252)
Total comprehensive loss for the year		**(10,796)**	(211,393)

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2017

	Share capital	Currency translation reserve	Accumulated losses	Total equity
	$'000	**$'000**	**$'000**	**$'000**
As at 1 April 2015	**186,425**	**(821)**	**(58,775)**	**126,829**
Loss for the year	-	-	(209,141)	(209,141)
Other comprehensive loss				
Foreign currency translation arising from translation of financial statements of overseas operations	-	(2,252)	-	(2,252)
Total comprehensive loss for the year	-	(2,252)	(209,141)	(211,393)
As at 31 March 2016	**186,425**	**(3,073)**	**(267,916)**	**(84,564)**
Loss for the year	-	-	(13,523)	(13,523)
Other comprehensive income				
Foreign currency translation arising from translation of financial statements of overseas operations	-	2,727	-	2,727
Total comprehensive income / (loss) for the year	-	2,727	(13,523)	(10,796)
As at 31 March 2017	**186,425**	**(346)**	**(281,439)**	**(95,360)**

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2017

	Note	2017	2016
		$'000	$'000
Cash flows from operating activities			
Loss before income tax		**(13,523)**	(209,165)
Adjustments for:			
Allowance for doubtful trade receivables	5	**-**	15,587
Write-back of allowance for doubtful trade receivables	5	**-**	(492)
Allowance for doubtful loan receivables from subsidiaries		**-**	34,893
Allowance for impairment of investment in subsidiaries	11	**239**	411
Allowance / (Write-back) of allowance for doubtful loan receivables from related parties	7	**(928)**	9,411
Write-back of allowance for doubtful loan receivables from related parties		**(1,532)**	-
Write-back of provision		**-**	(279)
Amortisation of intangible assets	9	**-**	536
Depreciation of property, plant and equipment	8	**-**	662
Loss / (Gain) on disposal of property, plant and equipment		**-**	592
Interest expenses		**(1,690)**	2,330
Interest income	19	**-**	(4,836)
Property, plant and equipment written off		**-**	834
Investment written off		**-**	2,047
Intangible assets written off	9	**-**	136
Foreign exchange loss / (gain)		**2,966**	(1,469)
Operating cash flows before working capital changes		**(14,468)**	(148,802)
Changes in working capital			
Changes in inventories and construction work-in-progress		**-**	90,927
Changes in trade receivables		**9,838**	26,922
Changes in amounts due from related parties		**-**	22,217
Changes in amount due to related parties		**-**	11,952
Changes in other receivables, deposits and prepayments		**273**	2,283
Changes in trade and other payables		**1,756**	(18,956)
		11,867	135,345
Cash used in operations		**(2,601)**	(13,457)

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2017

	Note	2017	2016
		$'000	$'000
Interest received		3	3
Interest paid		-	(1,672)
Income taxes paid		-	(2,111)
Net cash used in operating activities		**(2,598)**	(17,237)
Cash flows from investing activities			
Decrease / (Increase) in loans to subsidiaries		-	11,424
Additions of plant and equipment	8	-	(505)
Net cash generated from investing activities		-	10,919
Cash flows from financing activities			
Repayment of bank borrowings		-	(7,600)
Proceeds from bank borrowings		**4,259**	8,119
Net cash generated from financing activities		**4,259**	519
Changes in cash and cash equivalents during the year		**1,661**	(5,799)
Cash and cash equivalents at beginning of year		**(8,475)**	(1,886)
Effect of exchange rate changes on balances held in foreign currency		-	(790)
Cash and cash equivalents at end of year	4	**(6,814)**	(8,475)

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

1 CORPORATE INFORMATION

Sembawang Engineers and Constructors Pte. Ltd. (Judicial Managers Appointed) (the "Company") (UEN: 198205192W) is incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 8 Shenton Way, #50-01, AXA Tower, Singapore 068811.

The principal activities of the Company are those relating to engineering and construction provided involved in turnkey construction, infrastructure development, project management and chemical and industrial process engineering. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding Company is Punj Lloyd Pte. Ltd. ("PLPL"), a Company incorporated in Singapore, and the ultimate holding Company is Punj Lloyd Limited, a listed Company on the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd and is incorporated in New Delhi, India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Company adopted the new or amended FRSs and interpretations of FRSs (INT FRSs) that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

Exemption from preparing consolidated financial statements

These financial statements are the separate financial statements of Sembawang Engineers and Constructors Pte. Ltd (Judicial Managers Appointed). The Company is exempted from the requirement to prepare consolidated financial statements as the immediate ultimate holding Company, Punj Lloyd Pte Ltd (Judicial Managers Appointed) is in the process of preparing consolidated financial statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Going Concern

The financial statements are prepared on the going concern basis. However during the year, pursuant to a High Court order on 27 June 2016, the Company was placed under judicial management (See Note 26, Judicial Management Order). The ability of the Company to continue as a going concern depends on the ultimate outcome of judicial management process of the company. As at the financial year ended 31 March 2017, the Company's total liabilities exceeded its total assets by $95,360,000 (2016: $84,564,000).

Subsequent to the year end, however, the judicial managers filed an application to the High Court to liquidate the Company and adjudication has been scheduled to be heard on 7 August 2017. Should the application be approved, the Company would not be able to continue as a going concern and be liquidated.

These factors indicate that the Company is unable to continue in operational existence for the foreseeable future and is unable to discharge its liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability of assets that may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

Further, no adjustments relating to the reclassification of recorded asset amounts from non-current assets and liabilities to current assets and liabilities or the amounts that might need to be incurred should the Company be unable to continue as a going concern.

2.3 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, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Contract revenue

When the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised as income and expense using the percentage of completion method, measured by reference to the value of work performed relative to the total contract value. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extend of contract costs incurred that can probably be recovered and contract costs are recognised as an expense in the year in which they are incurred. An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

(b) Sales of goods

Revenue on goods sold is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services or other sales taxes and is after deduction of any trade discounts. Revenue is no recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Dividend income

Dividend income is recognised in the income statement when the right to received payment is established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Revenue recognition (Continued)

(d) Interest income

Interest income is recongised using the effective interest method.

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Subsidiaries and principles of consolidation

(a) Subsidiaries

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. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Investments in subsidiaries are carried at cost, less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(b) Principles of consolidation

The consolidated financial statements of the Company and its subsidiaries have not been prepared as the immediate holding company, Punj Lloyd Pte. Ltd. (Judicial Managers Appointed) is in the process of preparing the consolidated financial statement for the financial year ended 31 March 2017.

2.6 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Company has significant influence. This generally coincides with the Company in having 20% or more of voting power, or has representation on the board of directors. Investments in associate are accounted for at cost less any impairment losses.

2.7 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. The Company recognises its interest in the joint venture using proportionate consolidation method. The Company combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Joint venture

The joint venture is proportionately consolidated from the date the Company obtains joint control until the date the Company ceases to have joint control over the joint venture. Adjustments are made in the Company's financial statements to eliminate the Company's share of intra group balances, income and expenses and unrealised gains and losses on such transactions between the Company and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Company.

Upon loss of joint control, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former joint venture entity upon loss of joint venture control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

2.8 Plant and equipment

(a) Measurement

All plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses (Note 2.12).

(b) Depreciation of plant and equipment

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful Lives
Plant and machinery	3 - 5 years
Furniture and fittings	3 - 5 years
Office equipment	3 years
Computer equipment	2 - 5 years
Motor vehicle	3 - 5 years

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits will flow to the Company and the cost of the item can be reliably measured. Other subsequent expenditure is recognised as an expense in the statement of comprehensive income during the financial year in which it is incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

(a) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the Company's cash generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

The goodwill has been allocated to the cash-generating unit (or group of cash-generating units) is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of foreign operations and are recorded in the functional currency of the foreign operations and translated at the balance sheet date.

The Company does not reverse in a subsequent year, any impairment loss recognised for goodwill.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as as the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised developments costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful lift or the expected pattern of changing the amortisation period or method, as appropriate, are treated as changes in accounting estimates. The amortisation expense intangible assets with finite useful lives is recognised in the income statement in the expenses category consistent with the function of the intangible assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

(b) Other intangible assets

The estimated useful lives of other intangible assets that are assessed as finite are as follows:

Software 3 – 5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the assets is dereognised.

2.10 Borrowing costs

Borrowing costs are recognised on a time-proportion basis using the effective interest method. Borrowing cost are capitalised if they are directly attributable to the acquisition and construction of a qualifying assets. Capitalisation of borrowing costs commences when the activities to prepare the assets for its intended use or sale are in progress and the expenditures and the borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. All other borrowing costs are expensed in the period they occur.

2.11 Inventories

Constructions contracts

Construction work-in-progress are stated at cost plus attributable profits less recognised losses, allowances for foreseeable losses and net of progress claims, and are presented in the balance sheet as "construction work-in-progress" (as an asset) or "excess of progress claims over construction work-in-progress" (as a liability), as applicable. Construction costs include cost of direct materials, direct labour and costs incurred in connection with the construction. Allowance is made where applicable for any foreseeable losses on uncompleted contracts as soon as the possibility of the loss is ascertained.

Progress claims not yet paid by the customer are included in the statement of financial position under "trade receivables". Amounts received before the related work is performed are included in the statement of financial position, as a liability, as "progress claims in excess of construction work-in-progress".

2.12 Impairment of non-financial assets

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of non-financial assets (Continued)

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the statement of comprehensive income, a reversal of that impairment is also recognised in the statement of comprehensive income.

2.13 Financial assets

(a) Classification

The Company classifies its financial assets in the following categories: loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provision of the instrument.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are classified within "other receivables" and "cash and cash equivalents" on the statement of financial position.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flow from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the statement of comprehensive income. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial assets (Continued)

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

(e) Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Company of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

<u>Loans and receivables</u>

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flow, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of comprehensive income.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial positions when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities. Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.17 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculate as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.18 Leases

When the Company is the lessee:

(i) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Income taxes (Continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

2.20 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.21 Contingent liabilities

A contingent liability is:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Contingent liabilities (Continued)

(b) A present obligation that arises from past events but is no recognised because

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

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

Contingent liabilities are not recongised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligation for which the fair values can be reliably determined.

2.22 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Employee entitlements to annual leave

Employee entitlements to annual leave are recognised when they accrue to employees.

2.23 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Currency translation (Continued)

(c) Foreign currency translation

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognised in the other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

2.24 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.25 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.

2.26 Dividends to Company's shareholders

Dividends on ordinary shares are recognised as a liability in the year in which they are declared.

2.27 Related party

Related parties consist of key management of the Company and 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.

Related parties are entitles 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.

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 parent of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Related party

(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 Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) A related person 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); or
(iii) 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.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of trade receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(b) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for unexpected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's current tax liabilities, deferred tax liabilities and deferred tax assets at 31 March 2017 are $2,723,000 (2016: $2,723,000), $1,270,000 (2016: $1,270,000) and $Nil (2016: $Nil) respectively.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Continued)

(c) Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over its estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 2 to 5 years. These are common life expectancies applied in the construction industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Company's plant and equipment at the end of reporting period is disclosed in Note 10 to the financial statements.

(d) Contract revenue

The Company recognises contract revenue to the extent of contract costs incurred where it is probable that those costs will be recoverable and based on the percentage of completion method. The stage of completion is measured by reference to the value of work performed relative to the total contract value.

Significant judgement is required in determining the stage of completion, the estimated total revenue and estimated total contract cost, as well as the recoverability of the contract costs involved. Contract revenue may include an estimation of the variation works recoverable from the customers. In making the judgement, management relies on inter-alia, customers' instructions and value of work performed.

(e) Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

4 CASH AND SHORT-TERM DEPOSITS

	2017	2016
	$'000	$'000
Cash and short-term deposits	**1,774**	306
Fixed deposits with banks	**704**	703
	2,478	1,009

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interests at the respective short term deposit rates.

Upon the appointment of Mr Nicky Tan Ng Kuang and Ms Lim Siew Soo, jointly and severally, as judicial manager, the directors of the Company are no longer in control of the operations of the Company and its bank accounts. The bank book has been prepared based on the information provided by the Judicial Managers.

4 CASH AND SHORT-TERM DEPOSITS (Continued)

Cash and short term deposits are denominated in the following currencies:

	2017	2016
	$'000	$'000
Singapore Dollars	2,469	961
United States Dollars	7	26
Hong Kong Dollars	-	13
Others	2	9
	2,478	1,009

For the purpose of the cash flow statement, cash and short term deposits comprise the following at the end of reporting period:

	2017	2016
	$'000	$'000
Cash at bank and in hand	2,478	1,009
Bank overdrafts (Note 14)	(9,292)	(9,484)
Cash and cash equivalents	(6,814)	(8,475)

5 TRADE RECEIVABLES

	2017	2016
	$'000	$'000
Current		
Trade receivables	15,598	15,097
Retention monies on contracts	-	10,339
	15,598	25,436
(Less): Allowance for doubtful receivables	(15,587)	(15,587)
	11	9,849
Gross receivables	15,598	25,436

Gross receivables are denominated in Singapore Dollar.

5 TRADE RECEIVABLES (Continued)

Receivables that are past due but not impaired

The Company has trade receivables amounting to $11,029 (2016: $9,849,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	2017	2016
	$'000	$'000
Trade receivables past due		
Less than 30 days	-	9,825
30 to 60 days	-	-
61 to 90 days	-	-
91 to 180 days	**11**	24
More than 180 days	-	-
	11	9,849

Receivables that are impaired

The Company's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	2017	2016
	$'000	$'000
Trade receivables – nominal accounts	**15,587**	15,587
(Less): Allowance for doubtful trade receivables	**(15,587)**	(15,587)
	-	-

Movement in allowance for doubtful loans receivable are as follows:

	2017	2016
	$'000	$'000
Beginning of financial year	**15,587**	492
Allowance made	-	15,587
Write back of allowance	-	(492)
Exchange difference	-	-
End of financial year	**15,587**	15,587

6 OTHER RECEIVABLES AND DEPOSITS

	2017	2016
	$'000	$'000
Advances to suppliers	16	-
Deposits	443	647
Staff loans and advances	-	6
Other receivables	-	79
	459	732

7 AMOUNT DUE FROM RELATED PARTIES

	2017	2016
	$'000	$'000
Current		
- Immediate holding Company	94,225	94,196
- Related corporations	8,455	9,383
(Less): Allowance for doubtful receivables	(8,455)	(9,383)
	-	-
- Subsidiaries	3,968	3,968
(Less): Allowance for doubtful receivables	(3,968)	(3,968)
	-	-
	94,225	94,196

Movement in allowance for doubtful loans receivable are as follows:

	2017	2016
	$'000	$'000
Beginning of financial year	13,351	3,940
Translation difference	-	-
Allowance made / (Write back of allowance)	(928)	9,411
End of financial year	12,423	13,351

The amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and has no fixed terms of repayment. The amounts are not expected to be repaid within the next 12 months. Amount due from ultimate holding Company and related corporations are trade in nature, unsecured, interest-free and are repayable upon demand.

At the end of reporting period, amounts due from immediate holding Company are trade in nature, unsecured, interest-free and are repayable upon demand other than an amount of $80,717,955 (2016: $80,717,955) which is non-trade in nature, unsecured, interest rate ranging from 5.3% to 6.3% (2016: 5.3% to 5.8%) and is repayable upon demand.

Amount due from subsidiaries and joint venture are trade in nature, unsecured, interest-free and are repayable upon demand.

8 PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000
Cost				
As at 1 April 2015	**2,112**	**5,859**	**1,294**	**9,265**
Additions	13	489	3	505
Transfers of subsidiaries	-	58	84	142
Disposals/written off	(689)	(2,119)	(1,139)	(3,947)
Exit from joint venture	(451)	(146)	(46)	(643)
Assets held for sale	-	(24)	(3)	(27)
Translation differences	3	5	1	9
As at 31 March 2016	**988**	**4,122**	**194**	**5,304**
Additions	-	-	-	-
Transfers of subsidiaries	-	-	-	-
Disposals/written off	(988)	(4,122)	(194)	(5,304)
Exit from joint venture	-	-	-	-
Assets held for sale	-	-	-	-
Translation differences	-	-	-	-
As at 31 March 2017	**-**	**-**	**-**	**-**
Accumulated depreciation				
As at 1 April 2015	**1,408**	**5,243**	**1,036**	**7,687**
Depreciation charge for the year	226	334	102	662
Disposals/written off	(444)	(1,387)	(922)	(2,753)
Exit from joint venture	(203)	(70)	(23)	(296)
Translation differences	1	2	1	4
As at 31 March 2016	**988**	**4,122**	**194**	**5,304**
Depreciation charge for the year	-	-	-	-
Disposals/written off	(988)	(4,122)	(194)	(5,304)
Exit from joint venture	-	-	-	-
Translation differences	-	-	-	-
As at 31 March 2017	**-**	**-**	**-**	**-**
Net book value				
As at 31 March 2016	**-**	**-**	**-**	**-**
As at 31 March 2017	**-**	**-**	**-**	**-**

9 INTANGIBLE ASSETS

	Club membership	Software	Goodwill	Total
	$'000	$'000	$'000	$'000
Cost				
As at 1 April 2015	150	8,121	408	8,679
Written off	(150)	(7,985)	(408)	(8,543)
Disposals	-	(136)	-	(136)
As at 31 March 2016	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2017	-	-	-	-
Accumulated depreciation				
As at 1 April 2015	150	7,857	-	8,007
Written off	(150)	(7,985)	(408)	(8,543)
Amortisation charge for the year	-	128	408	536
As at 31 March 2016	-	-	-	-
Amortisation charge for the year	-	-	-	-
As at 31 March 2017	-	-	-	-
Net book value				
As at 31 March 2016	-	-	-	-
As at 31 March 2017	-	-	-	-

10 LOAN TO SUBSIDIARIES

	2017	2016
	$'000	$'000
Long-term loans to subsidiaries	102,782	102,782
(Less): Allowance for doubtful loans receivable	(102,782)	(102,782)
	-	-

Movement in allowance for doubtful loans receivable are as follows:

	2017	2016
	$'000	$'000
Beginning of financial year	102,782	67,889
Allowance made	-	34,893
End of financial year	102,782	102,782

The long term loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The loans are not expected to be repaid within the next twelve months.

11 INTERESTS IN SUBSIDIARIES

	2017	2016
	$'000	$'000
Unquoted equity investment at cost	**24,021**	24,021
(Less): Allowance for impairment losses	**(21,642)**	(21,403)
	2,379	2,618

Movement in allowance for impairment losses are as follows:

	2017	2016
	$'000	$'000
Beginning of financial year	**21,403**	20,992
Allowance made	**239**	411
End of financial year	**21,642**	21,403

Details of the significant subsidiaries are as follows:

Name of Company	Country of incorporation	Effective interest held by the group	
		2017	2016
		%	%
Sembawang Development Pte. Ltd. and its subsidiaries:	Singapore	**100**	100
Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	Libya	**65**	65
Contech Trading Pte. Ltd.	Singapore	**100**	100
Construction Technologiy (B) Sdn Bhd	Brunei	**100**	100
Sembawang Mining (Kekal) Pte. Ltd.	Singapore	**100**	100
PT Indo Precast Utama	Indonesia	**100**	100
PT Indo Unggul Wasturaya	Indonesia	**67**	67
Sembawang (Tianjin) Construction Engineering Co. Ltd.	People's Republic of China	**70**	70
Sembawang Infrastructure (Mauritius) Ltd	Mauritius	**100**	100
Sembawang UAE Pte. Ltd.	Singapore	**100**	100

11 INTERESTS IN SUBSIDIARIES (Continued)

Details of the significant subsidiaries are as follows: (Continued)

Name of Company	Country of incorporation	Effective interest held by the group	
		2017	2016
		%	%
Sembawang (Malaysia) Sdn Bhd and its subsidiary:	Malaysia	**100**	100
Jurubina Sembwang (M) Sdn Bhd	Malaysia	**99.9**	99.9
Tueri Aquila FZE	United Arab Emirates	**100**	100
Sembawang Consult Pte. Ltd.	Singapore	**100**	100
Sembawang Equity Capital Pte. Ltd.	Singapore	**100**	100
Sembawang Hong Kong Limited	Hong Kong	**100**	100
Sembawang (Tianjin) Investment Management Co. Ltd	People's Republic of China	**100**	100
PT Sembawang Indonesia	Indonesia	**100**	100
Reliance Contractors Private Limited	Singapore	**100**	100

12 TRADE AND OTHER PAYABLES

	2017	2016
	$'000	$'000
Trade payables and accruals	**106,111**	103,987
Other payables	**26,593**	28,653
	132,704	132,640

At the end of reporting period, the carrying amounts of trade and other paybles approximate their fair value.

Trade payables are non-interest bearing are normally settled on 60-90 day terms.

12 TRADE AND OTHER PAYABLES (Continued)

All trade payables and accruals are denominated in the following currencies:

	2017	2016
	$'000	$'000
Singapore Dollars	**132,704**	132,379
United States Dollars	**-**	242
Others	**-**	19
	132,704	132,640

13 AMOUNT DUE TO RELATED PARTIES

	2017	2016
	$'000	$'000
Short-term loans		
- Subsidiaries	**16,621**	18,890
Current accounts		
- Ultimate holding Company	**4,262**	4,141
- Subsidiaries	**-**	42
	20,883	23,073

At the end of reporting period, the carrying amounts of amount due to related parties approximate their fair value.

Short term loan and current accounts are unsecured, interest-free and repayable on demand.

14 BANK BORROWINGS

	2017	2016
	$'000	$'000
Current		
Revolving credits	**28,040**	23,778
Bank overdraft (Note 4)	**9,292**	9,484
	37,332	33,262

14 BANK BORROWINGS (Continued)

Revolving credits and bank overdrafts bear effective interest ranging at 4% to 5.6% (2016: 4% to 5.6%) and are secured by a charge over the current assets of the Company and a corporate guarantee from its ultimate holding Company. The amounts are payable within the next financial year.

15 DEFERRED TAX ASSETS / (LIABILITIES)

	2017	2016
	$'000	$'000
Deferred tax assets		
Unutilised tax losses	-	-

Movement in deferred tax are analysed as follows:

	2017	2016
	$'000	$'000
Beginning of financial year	-	396
Reversal of deferred tax assets	-	(396)
Translation difference	-	-
End of financial year	-	-

	2017	2016
	$'000	$'000
Deferred tax liabilities		
Construction work in progress	**(1,270)**	(1,270)

Movement in deferred tax are analysed as follows:

	2017	2016
	$'000	$'000
Beginning of financial year	**(1,270)**	(1,270)
Charge to statement of comprehensive income	-	-
End of financial year	**(1,270)**	(1,270)

15 DEFERRED TAX ASSETS / (LIABILITIES) (Continued)

Deferred tax assets have not been recognised in respect of the following temporary differences:

	2017	2016
	$'000	$'000
Unutilised tax losses	29,872	37,957
Unutilised donations	26	-
	29,898	37,957

The deferred tax assets have not been recognised because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

The use of these untilised tax losses is subject to the agreement of the tax authorities and compliance with provisions of the relevant tax legislations.

16 SHARE CAPITAL

	2017		2016	
	No. of shares	Amount of shares	No. of shares	Amount of shares
		$'000		$'000
Issued and fully paid:				
Ordinary shares of no par value				
Beginning and end of financial year	187,100	186,425	187,100	186,425

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.

17 CURRENCY TRANSLATION RESERVE

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Company, as well as on monetary items which form part of the Company's net investment in foreign operations.

18 REVENUE

	2017	2016
	$'000	$'000
Construction revenue	-	30,818

19 LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after (crediting) / charging:

	2017	2016
	$'000	$'000
Other income and other gains and losses include		
Interest income from:		
- Banks	**(3)**	(3)
- Related companies	-	(4,836)
Gain on foreign exchange	-	(1,469)
Provisions written back	**(1,650)**	(6,482)
Foreign exchange fluctuation on deconsolidation	-	(459)
Other income	**(5)**	(455)
Cost of sales/ adminstrative expenses/ other operating expenses include		
Allowance for doubtful trade receivables (Note 5)	-	15,587
Amortisation of intangible assets (Note 9)	-	536
Depreciation of property, plant and equipment (Note 8)	-	662
Plant and equipment written off	-	834
Intangible asset written off (Note 9)	-	136
Loss on disposal of property, plant and equipment	**50**	592
Other expenses include		
Allowance for doubtful loans receivables from related parties (Note 7)	-	9,411
Allowance for doubtful loan receivables from subsidiaries (Note 10)	-	34,893
Allowance for impairment of investment in subsidiaries (Note 11)	-	411
Staff costs include		
Salaries and allowances	**1,776**	20,044
Defined contribution plan expense	**100**	1,112
Finance cost include		
Interest paid and payable to:		
- Deemed interest	**1,690**	2,330

20 INCOME TAXES

(a) Income tax expense

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 were:

	2017	2016
	$'000	$'000
Under / (Over) provision in respect of prior years	-	(24)
Deferred tax – prior years (Note 18)	-	-
Income tax credit recognised in statement of comprehensive income	-	(24)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2017	2016
	$'000	$'000
Loss before income tax	**(13,522)**	(209,165)
Income tax using the statutory tax rate of 17% (2016: 17%)	**(2,299)**	(35,558)
Effects of:		
Expenses not deductible for tax purposes	**41**	204
Income not subject to tax	**(281)**	(1,102)
Under provision in respect of prior year	-	(24)
Deferred tax assets not recognised	**2,539**	36,456
Tax credit	-	(24)

(b) Movement in current income tax liabilities

	2017	2016
	$'000	$'000
Beginning of financial year	**2,723**	5,256
Tax expense	-	-
Under provision in respect of prior year	-	(24)
Others	-	(398)
Income tax paid	-	(2,111)
End of financial year	**2,723**	2,723

21 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related companies and related parties took place at terms agreed between the parties during the financial year:

(a) Sales and purchases of goods and services

	2017	2016
	$'000	$'000
Income:		
- Immediate holding Company	-	4,836

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company.

Key management personnel compensation includes fees, wages, salaries, profit-sharing, bonuses, commissions, gratuities, allowances, leave pay and other emoluments (including benefits-in-kind) as well as contributions made to approved pension or provident funds computed based on the costs incurred by the Company, and where the Company does not incur any cost, the value of the benefit.

The key management's remuneration is as follows:

	2017	2016
	$'000	$'000
Short-term employee benefits	571	1,381
Defined contribution plan	19	19
	590	1,400
Comprise amounts paid to:		
- Directors of the Company	307	273
- Other key management personnel	282	1,127
	589	1,400

22 CONTINGENT LIABILITIES

(a) Legal claim

It is normal in the construction industry for the Company to experience delays in the approval of extensions of time ("EOT") that may expose the Company to liquidated damages if the EOT are not subsequently approved by the customers.

As as the date of the financial statements, the management of the Company have reasonable grounds to believe that most if not all of the unapproved EOT as at balance sheet date would be eventually approved based on discussion and consultation with the various experts from the construction industry.

The Company assesses the carrying value of various claims periodically, makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that it maybe involved in from time to time.

Although, there can be no assurances, the Company believes that based on information currently available, that the ultimate resolution of these proceedings is not likely to have a material adverse effect on the results of operations, financial position or liquidity of the Company.

(b) Corporate guarantee

As at the balance sheet date, the Company has provided a corporate guarantee to a bank for a US$45,000,000 (2016: US$45,000,000) against a loan by Punj Lloyd Infrastructure Pte. Ltd. (a member of Punj Lloyd Limited Group) which was originally taken by its immediate holding company, Punj Lloyd Pte. Ltd.

23 INTEREST IN JOINT OPERATIONS

These relate to the joint operations agreements entered into by the Group and the Company with third parties to jointly undertake both overseas and local construction projects.

Theses undertakings are managed jointly through project management committees on which the Group and the Company and other joint operations partners are represented in accordance with their respective interests.

Details of the joint operations are as follows:

Name of joint operations (Country of incorporation and place of business)	Principal activities	Effective interest held by the group	
		2017	2016
		%	%
Total-CDC-DNC Joint Operation (Indonesia)	Construction of a hotel and golf course recreation centre	**40**	40
Kumagai-Sembawang-Mitsui Joint Venture (Singapore)	Design and construction of the Potong Pasir and Boon Keng Mrt Stations (MRT Contract 705) , including tunnels	**45**	45

23 INTEREST IN JOINT OPERATIONS (Continued)

Details of the joint operations are as follows: (Continued)

Name of joint operations (Country of incorporation and place of business)	Principal activities	Effective interest held by the group	
		2017	2016
		%	%
Kumagai-SembCorp Joint Venture (Singapore)	Design and construction of the Changi Airport MRT Station (MRT Contract 504) including tunnels	**50**	50
Philipp Holzmann-SembCorp Joint Venture (Singapore)	Design and construction of Kranji Deep Tunnel Sewerage System (Contract T-05)	**100**	100
Kumagai-SembCorp Joint Venture (DTSS) (Singapore)	Design and construction of Paya Lebar Deep Tunnel Sewerage System (Contract T-03)	**50**	50
Semb-Corp Daewoo Joint Venture (Singapore)	Design and construction of Kallang and Paya Lebar Expressway (Contract 422)	**60**	60
Sembawang Capsi Engineers and Constructors LLP (Republic of Kazakhstan)	Engineering, procurement and construction works	**50**	50
Held by subsidiaries			
+ Sembawang Precast System LLC (Emirate of Dubai)	Precast production including pre-casting of columns, retaining walls and tunnel segments	**50**	50

+ In the process of liquidation

23 INTEREST IN JOINT OPERATIONS (Continued)

Philipp Holzmann-SembCorp Joint Venture

Philipp Holzmann Aktiengesellschaft ("Philipp Holzmann") filed for insolvency in Germany on or about 21 March 2002 and had defaulted in the payment of capital contribution required by the joint operations.

On 27 March 2002, the Company exercised its rights under the joint operation agreement to exclude Philipp Holzmann Aktiengesellschaft from further participation in the joint operation.

Subsequently, the German Court appointed the insolvency administrator of Philipp Holzmann on 1 June 2002. Pursuant to the terms of the joint operation agreement, such default by Philipp Holzmann and its exclusion will result in the reduction of Philipp Holzmann's participation (to such share proportionate to its capital contribution) in the profits of the joint operations as at the time of its exclusion but Philipp Holzmann's share in undergoing liquidation in Germany, it is unlikely that it will be able to fufill its obligations under the joint operation.

Accordingly, the Company has incorporated the entire results, assets and liabilities of the joint operation in arriving at the financial statements of the Company as at 31 March 2017.

The results, assets and liabilities of the joint operations held by the Company are as follows:

	Joint operations		Company's share	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Results				
Revenue	**1**	7,635	**1**	4,188
Expenses	**(170)**	(8,429)	**(94)**	(4,643)
Profit before taxation	**(169)**	(794)	**(93)**	(455)
Assets and liabilities				
Not-current assets	**-**	-	**-**	-
Current assets	**978**	986	**875**	881
Non-current liabilities	**-**	-	**-**	-
Current liabilities	**(293)**	(298)	**(240)**	(244)
	685	688	**635**	637

24 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by treasury personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the directors.

The information presented below is based on information received by the management team.

(a) Market risk

(i) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD).

In respect of monetary assets and liabilities held in currencies other than Singapore dollars, the Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term balances.

Sensitivity analysis for foreign currency risk

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

	2017		2016	
	Increase / (Decrease)			
	Loss after tax	**Equity**	Loss after tax	Equity
	$'000	**$'000**	$'000	$'000
USD against SGD				
- strengthened 3% (2016: 3%)	**(1)**	**(1)**	(1)	(1)
- weakened 3% (2016: 3%)	**1**	**1**	1	1

24 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Company is exposed to interest rate risk on its borrowings and bank deposits.

The Company's borrowings at variable rates are denominated mainly in SGD. The bank deposits are mainly denominated in SGD. At 31 March 2017, if the SGD interest rates had increased/decreased by 1% (2016: 1%) with all other variables including tax rate being held constant, the profit after tax for the year would have been lower/higher by $373,320 (2016: $332,620) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company's major classes of financial assets are bank deposits and trade and other receivables, and loan to holding corporation and related parties.

For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and 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.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors.

Before accepting any new customer, the Company will assess the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engage with the customer to resolve the causes of the overdue payment.

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 balance sheet.

24 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(b) Credit risk (Continued)

The Company determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Company's trade receivable at the balance sheet date is as follows:

	2017		2016	
	$'000	**% of total**	$'000	% of total
By country				
Singapore	**11**	**100**	9,849	100

(i) Financial assets that are neither past due nor impaired

At the balance sheet date, there is no significant concentration of credit risk. However, the good credit history of these customers reduces the risk to the Company to an acceptable level.

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short term deposits are placed with or entered into with reputable financial institutions.

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

The information regarding financial assets that are either past due or impaired is disclosed in Note 5.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

24 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Company adopts prudent liquidity risk management by maintaining sufficient cash and having an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Company aims at maintaining flexibility in funding by keeping committed credit facilities available.

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

	2017	2016
	$'000	$'000
Less than 1 year		
Trade and other payables	**132,704**	132,640
Amount due to related parties	**20,883**	23,073
Borrowings	**37,332**	32,262
	190,919	187,975

(d) Financial instruments by category

The carrying amounts of financial assets measured at fair value are disclosed on the face of the statement of financial position and in Note 5, Note 6, Note 7, Note 12, Note 13 and Note 14 to the financial statements respectively.

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2017	2016
	$'000	$'000
Loans and receivables	**97,173**	105,786
Financial liabilities at amortised cost	**190,919**	187,975

(e) Fair value measurement

The carrying amount of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. The carrying amounts of current borrowings approximates their fair values.

25 CAPITAL MANAGEMENT

The capital structure of the Company consists of debt, which includes the borrowings, obligations, cash and cash equivalents and equity comprising issued capital and retained earnings.

The Company's objectives when managing capital are

(a) to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders

(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

In order to maintain or achieve an optimal capital structure so as to maximise stakeholder value, the Company may make adjustments to the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company is required to comply with externally imposed capital requirements and bank covenants which were breached in the financial years ended 31 March 2017 and 31 March 2016. The Company's overall strategy to capital management remains unchanged from 31 March 2016. The Company will continue to be guided by prudent financial policies of which gearing is an important aspect.

Disclosure on quantitative data about what the Company manages as capital, is based on information provided internally to key management personnel and is summarised as follows:

	2017	2016
	$'000	$'000
Total debt	**194,912**	192,968
Equity attributable to equity holders of the Company	**(95,360)**	(84,564)
Gearing ratio	**NA**	NA

The gearing ratio is not applicable as the Company is in net liabilities position at the end of the reporting period.

Consistently with others in the industry, the Company may monitor capital on the basis of the debt-to-adjusted capital ratio (gearing ratio). This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital and retained earnings), other than amounts accumulated in equity relating to cash flow hedges, and includes some forms of subordinated debt.

26 JUDICIAL MANAGEMENT ORDER

During the previous year, on 17 February 2016, the Company filed an application before the Singapore High Court to place itself under judicial management and this was subsequently approved by the High Court on 27 June 2016. Mr. Nicky Tan Ng Kuang and Ms. Lim Siew Soo c/o nTan Corporate Advisory Pte. Ltd. was appointed as the Judicial Managers of the Company.

Subsequent to the appointment of the Judicial Managers, powers as a Director of the Company are suspended during the administration by Judicial Managers as per section 227G of the Companies Act (Cap 50). Accordingly, upon the appointment of the Judicial Managers, the functions and powers of the Company's director were transferred to the Judicial Managers and the Judicial Managers were managing the affairs of the Company as well as preserve the assets of the Company.

Subsequent to the year end, however, the judicial managers filed an application to the High Court to liquidate the Company and adjudication has been scheduled to be heard on 7 August 2017.

27 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 January 2017 and which the Company has not early adopted:

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer contract
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

27 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (Continued)

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  The Company has yet to undertake a detailed assessment of the classification and measurement of financial assets.

  The other financial assets held by the Company include loans and receivables measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

  Accordingly, the Company does not expect the new guidance to have a significant impact on the classification of its financial assets.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Company's accounting for financial liabilities as the Company does not have any such liabilities.

  There is now a new expected credit loss model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Company has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of any credit losses.

  The new Standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

28 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Sembawang Engineers and Constructors Pte. Ltd. (Judicial Managers Appointed) on the same date as indicated on the directors' statement.