SEMBAWANG MINING (KEKAL) PTE. LTD.

(Incorporated in the Republic of Singapore)

DIRECTOR'S 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
COMPANY SECRETARY	Lim Hai Loon
INDEPENDENT AUDITOR	J. TAN & CO. *Public Accountants and Chartered Accountants*

CONTENTS

DIRECTOR'S STATEMENT

for the financial year ended 31 March 2017

The director presents 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 DIRECTOR

In the opinion of the director,

(a) the financial statements set out on pages 5 to 25 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 covered by the financial statements; and

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

2 DIRECTOR

The director of the Company in office at the date of this statement are as follows:

Atul Punj

3 ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES OR DEBENTURES

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

4 DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

According to the register of director's shareholdings, none of the director holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Ordinary shares			
	Holdings registered in the names of the director		Holdings 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 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 appointment.

Sole Director,

Atul Punj
Director

Singapore, 13 APR 2017

INDEPENDENT AUDITOR'S REPORT

to the members of

Sembawang Mining (Kekal) Pte. Ltd.

for the financial year ended 31 March 2017

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Sembawang Mining (Kekal) Pte. Ltd.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Company for the year ended 31 March 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 22 September 2016.

Other Information

Management is responsible for the other information. The other information comprises the director's dtatement 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 Directors 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 Mining (Kekal) Pte Ltd
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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

J. TAN & CO.
Public Accountants and Chartered Accountants
Singapore, 13 APR 2017

STATEMENT OF FINANCIAL POSITION

as at 31 March 2017

	Note	2017	2016
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	4	-	1,289
Amount due from immediate holding company	5	190,929	190,929
		190,929	192,218
Non-current assets			
Investment in joint venture	6	26,255,200	26,255,200
Total assets		26,446,129	26,447,418
LIABILITIES			
Current liabilities			
Other payables	7	2,122	7,937
Amount due to intermediate holding company	8	19,674	10,603
Amount due to related parties	9	109,237	107,677
		131,033	126,217
Non-current liabilities			
Loan due to related parties	10	26,255,200	26,255,200
Total liabilities		26,386,233	26,381,417
Net assets		59,896	66,001
EQUITY			
Share capital	11	600,000	600,000
Accumulated losses		(540,104)	(533,999)
Total equity		59,896	66,001

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2017

	Note	2017	2016
		$	$
EXPENSES			
Other losses	12	(1,561)	(877)
Administrative expenses	13	(4,544)	(5,724)
Loss before Income tax		(6,105)	(6,601)
Income tax expenses	14	-	-
Loss for the year / Total comprehensive loss for the year		(6,105)	(6,601)

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2017

	Share capital	Accumulated losses	Total equity
	$	**$**	**$**
As at 1 April 2015	**600,000**	**(527,398)**	**72,602**
Loss for the year / Total comprehensive loss for the year	-	(6,601)	(6,601)
As at 31 March 2016	**600,000**	**(533,999)**	**66,001**
Loss for the year / Total comprehensive loss for the year	-	(6,105)	(6,105)
As at 31 March 2017	**600,000**	**(540,104)**	**59,896**

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2017

	Note	2017	2016
		$	$
Cash flows from operating activities			
Loss before income tax		**(6,105)**	(6,601)
Changes in working capital			
Changes in amount due to related parties		**1,560**	2,595
Changes in amount due to immediate holding company		**9,071**	-
Changes in other payables		**(5,815)**	3,536
		4,816	6,131
Net cash (used in) / generated from operating activities		**(1,289)**	(470)
Net changes in cash and cash equivalents during the year		**(1,289)**	(470)
Cash and cash equivalents at beginning of year		**1,289**	1,759
Cash and cash equivalents at end of year	**4**	**-**	1,289

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

1 CORPORATE INFORMATION

Sembawang Mining (Kekal) Pte. Ltd. (the "Company") (UEN No. 201107730C) is incorporated and domcilied in Singapore. The address of its registered office and principal place of business is 8 Shenton Way, #50-01 AXA Tower, Singapore 068811.

The principal activities of the Company are those of investment holding.

The immediate holding Company is Sembwang Development Pte Ltd ("SDPL"), a Company incorporated in Singapore, and the intermediate, penultimate and ultimate holding Companies are Sembawang Engineers and Constructors Pte Ltd ("SEC"), a Company incorporated in Singapore, Punj Lloyd Pte Ltd ("PLPL"), a Company incorporated in Singapore and Punj Lloyd Limited, a listed Company on the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd and incorporated in New Delhi, India, respectively.

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 January 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Group accounting

(a) Joint ventures

Joint ventures are entities over which the Company has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in joint ventures are accounted for in the financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint venture over the Company's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Company's share of its joint ventures' post-acquisition profits or losses of the investee in the statement of comprehensive income and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the joint ventures are recognised as a reduction of the carrying amount of the investments. When the Company's share of losses in an joint venture equals to or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the joint venture subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Company and its associated companies or joint ventures are eliminated to the extent of the Company's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Company.

(ii) Disposals

Investments in joint ventures are derecognised when the Company loses significant influence or joint control. If the retained equity interest in the former joint venture is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the statement of comprehensive income.

Please refer to the paragraph "Investments in joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Investment in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the statement of comprehensive income.

2.4 Impairment of non-financial assets

Investments in joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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 inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the 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.

An impairment loss for an asset other than goodwill is reversed 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 as an expense, a reversal of that impairment is also recognised in the statement of comprehensive income.

2.5 Financial assets

(a) Classification

The Company classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition re-evaluates this designation at each balance sheet date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Amount due to immediate holding company" (Note 5) and "cash and cash equivalents" (Note 4) on the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Financial assets (Continued)

(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 flows 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 the statement of comprehensive income.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(e) Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists

(i) Loans and receivables

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 flows, 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 the statement of comprehensive income 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial posisition 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.

2.7 Other payables

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.

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

2.8 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, 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 the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs are recognised in statement of comprehensive income using the effective interest method.

2.9 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 calculated 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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 statement of financial position. 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.

2.11 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.

2.12 Income tax

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.

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 the statement of comprehensive income, 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.

The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

The Company recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the changes arise.

2.14 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(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 the statement of comprehensive income. However, in the financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

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 statement of comprehensive income.

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

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. The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash at bank	-	1,289

At the end of the reporting period, the carrying amounts of cash and cash equivalents approximate their fair values.

5 AMOUNT DUE FROM IMMEDIATE HOLDING COMPANY

	2017	2016
	$	$
Amount due from immediate holding company	**190,929**	190,929

At the end of the reporting period, the carrying amounts of amount due from immediate holding company approximate their fair values.

Amount due from immediate holding company are unsecured, non-trade related, interest free and repayable upon demand.

6 INVESTMENT IN JOINT VENTURE

	2017	2016
	$	$
Unquoted equity investment at cost	**26,255,200**	26,255,200

Details of the joint venture are as follows:

Name of Company	Country of incorporation	Effective interest held by the group	
		2017	2016
		%	%
PT Kekal Adidaya	Indonesia	**50**	50

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

	2017	2016
	$	$
Assets and liabilities		
Current assets	**5,758**	5,758
Non-current assets	**17,758,660**	17,758,660
	17,764,418	17,764,418
Current liabilities		
Non-current liabilities	**17,197,202**	17,197,202
	17,197,202	17,197,202
Results		
Cost and expenses	-	544

7 OTHER PAYABLES

	2017	2016
	$	$
Accruals for operating expenses	**2,122**	4,500
Other payables	-	3,437
	2,122	7,937

At the end of the reporting period, the carrying amounts of other payables approximate their fair values.

8 AMOUNT DUE TO INTERMEDIATE HOLDING COMPANY

	2017	2016
	$	$
Amount due to intermediate holding company	**19,674**	10,603

At the end of the reporting period, the carrying amounts of amount due to intermediate holding company approximate their fair values.

Amount due to intermediate holding company are unsecured, non-trade related, interest free and repayable upon demand.

9 AMOUNT DUE TO RELATED PARTIES

	2017	2016
	$	$
Amount due to related parties	**109,237**	107,677

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

Amount due to related parties are unsecured, non-trade related, interest free and repayable upon demand.

10 LOAN DUE TO RELATED PARTIES

	2017	2016
	$	$
Loan to related parties	**26,255,200**	26,255,200

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

Loan due to related parties are unsecured, non-trade related, interest free and with no terms of repayment.

11 SHARE CAPITAL

	2017		2016	
Ordinary shares with no par value	**No. of shares**	**Amount of shares**	No. of shares	Amount of shares
Issued and fully paid		**$**		$
Beginning and end of financial year	**600,000**	**600,000**	600,000	600,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12 OTHER LOSSES

	2017	2016
	$	$
Exchange loss - unrealised	**1,561**	877

13 EXPENSES BY NATURE

	2017	2016
	$	$
Professional fees	**2,190**	2,875
Audit fees	**1,300**	2,000
Others	**1,054**	849
Total administrative expenses	**4,544**	5,724

14 INCOME TAXES

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

	2017	2016
	$	$
Current tax	-	-
	-	-

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
	$	$
Loss before income tax	**(6,105)**	(6,601)
Income tax using the statutory tax rate of 17% (2016: 17%)	**(1,038)**	(1,122)
Tax effects of:		
Deferred tax assets not recognised	**1,038**	1,122
Tax charge	-	-

15 RELATED PARTY TRANSACTIONS

Related parties consist of key management of the Company, subsidiaries 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.

(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).
- (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;

In addition to the related party information disclosed elsewhere in the financial statements, there is no transaction with related parties took place during the financial year.

16 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.

16 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(a) Market risk

(i) Currency risk

As most of the Company's transactions are carried in Singapore dollars, its exposure to foreign exchange rate is minimal.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company does not has significant fixed rates interest-bearing assets.

The sensitivity analysis for changes in interest rate is not disclosed as the effect on the statement of comprehensive income is considered not significant.

(b) Credit risk

Credit risk is 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 loan to immediate holding corporation.

The Company has no significant concentration of credit risk

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company has no exposure to liquity risk during the year.

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

	2017	2016
	$	$
Other payables (Less than one year)	**2,122**	7,937

(d) Fair value measurements

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

The carrying amounts of the financial assets and financial liabilities at the reporting date with a maturity of less than one year are assumed to approximate their fair values due to the relatively short-term maturity of these financial instruments or that they are subject to floating or fixed interest rates which in turn approximate the current market interest rate for similar instruments at the date of the statement of financial position.

16 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(e) Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	2017	2016
	$	$
Loans and receivables		
Amount due from immediate holding company	**190,929**	190,929
Cash at bank	-	1,289
	190,929	192,218
Financial liabilities measured at amortised cost		
Loan due to related parties	**26,255,200**	26,255,200
Amount due to intermediate holding company	**19,674**	10,603
Amount due to related parties	**109,237**	107,677
Other payables	**2,122**	7,937
	26,386,233	26,381,417

17 CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are

(i) 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.

(ii) to provide and 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 does not need to comply with any externally imposed capital requirements for 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.

17 CAPITAL MANAGEMENT (Continued)

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
	$	$
Total debt	**26,386,233**	26,381,417
(Less): Cash and cash equivalents	**-**	(1,289)
Net debt	**26,386,233**	26,380,128
Total equity	**59,896**	66,001
Debt-to-adjusted capital ratio (Gearing ratio)	**440.53**	399.69

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 (ie share capital and retained earnings), other than amounts accumulated in equity relating to cash flow hedges, and includes some forms of subordinated debt.

The debt-to-adjusted capital ratio does not present relevant financial information with predictive or confirmatory value as the Company is in a net asset position at the end of the reporting period.

18 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:

18 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (Continued)

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

  - 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.

- 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.

18 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (Continued)

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

  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.

19 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Director of Sembawang Mining (Kekal) Pte. Ltd. on the same date as indicated on the director's statement.