

PUNJ LLOYD ENGINEERING PTE. LTD.
(Incorporated in the Republic of Singapore)

**DIRECTOR'S STATEMENT AND AUDITED
FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2019**



J. TAN & CO.
Public Accountants and Chartered Accountants

CORPORATE INFORMATION

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF
BUSINESS** 195 Pearl's Hill Terrace
#03-14
Singapore 168976

DIRECTOR Ajay Khajanchi

COMPANY SECRETARY Lim Hai Loon
Yew Sook Lian (Appointed on 3 June 2019)

INDEPENDENT AUDITOR **J. TAN & CO.**
Public Accountants and Chartered Accountants

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DIRECTOR'S STATEMENT

for the financial year ended 31 March 2019

The director presents his statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2019.

1 OPINION OF THE DIRECTOR

In the opinion of the director,

- (a) the financial statements set out on pages 5 to 31 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 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 is as follows:

Ajay Khajanchi

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.

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.

Punj Lloyd Engineering Pte. Ltd.

DIRECTOR'S STATEMENT

for the financial year ended 31 March 2019

6 INDEPENDENT AUDITOR

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

Sole Director,



Ajay Khajanchi

Director

Singapore, 04 JUL 2019



陳占士會計公司
特許會計師

J. TAN & CO.
Public Accountants and Chartered Accountants
UEN No.: S95PF0596A



INDEPENDENT AUDITOR'S REPORT

to the members of

Punj Lloyd Engineering Pte. Ltd.

for the financial year ended 31 March 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Punj Lloyd Engineering Pte. Ltd.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, 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 2019, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements, which indicates that the Company incurred a net loss of \$1,145,797 (2018: net profit of \$636,069) during the year ended 31 March 2019 and, as of that date, the Company's total liabilities exceeded its total assets by \$1,528,435. As stated in Note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the director's 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.



陳占士會計公司
特許會計師

J. TAN & CO.
Public Accountants and Chartered Accountants
UEN No.: S95PF0596A

 chartered
accountant
SINGAPORE

INDEPENDENT AUDITOR'S REPORT

to the members of

Punj Lloyd Engineering Pte. Ltd.

for the financial year ended 31 March 2019

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 director 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, 04 JUL 2019

STATEMENT OF FINANCIAL POSITION*as at 31 March 2019*

	Note	2019	2018
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	296,582	262,617
Fixed deposits	5	20,209	19,258
Trade and other receivables	6	69,391	3,123,208
Amounts owing from related parties	7	120,430	630,315
Contract assets	8	127,688	358,847
		634,300	4,394,245
Non-current assets			
Plant and equipment	9	2,743	29,838
Total assets		637,043	4,424,083
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,668,061	2,571,298
Amounts owing to related parties	7	321,003	2,059,009
		1,989,064	4,630,307
Non-current liabilities			
Other payables		176,414	176,414
Total liabilities		2,165,478	4,806,721
Net liabilities		(1,528,435)	(382,638)
EQUITY			
Share capital	11	1	1
Retained losses		(1,526,205)	(391,196)
Foreign currency translation reserve		(2,231)	8,557
Total equity		(1,528,435)	(382,638)

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2019

	Note	2019	2018
		\$	\$
Revenue	8	2,809,660	5,784,475
Cost of sales	14	(3,113,296)	(5,982,822)
Gross loss		(303,636)	(198,347)
Other income	12	1,033	1,590
Other (losses) / gains – net	13	(4,003)	47
EXPENSES			
Administrative expenses	14	(828,403)	(432,814)
Loss before income tax		(1,135,009)	(629,524)
Income tax expense	15	-	-
Loss for the year		(1,135,009)	(629,524)
<u>Other comprehensive loss</u>			
Currency translation differences arising from foreign operations		(10,788)	(6,545)
Total comprehensive loss for the year		(1,145,797)	(636,069)

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2019

	Share capital	Retained losses	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$
As at 1 April 2017	1	238,328	15,102	253,431
Loss for the year	-	(629,524)	-	(629,524)
Other comprehensive loss	-	-	(6,545)	(6,545)
Total comprehensive loss for the year	-	(629,524)	(6,545)	(636,069)
As at 31 March 2018	1	(391,196)	8,557	(382,638)
Loss for the year	-	(1,135,009)	-	(1,135,009)
Other comprehensive loss	-	-	(10,788)	(10,788)
Total comprehensive loss for the year	-	(1,135,009)	(10,788)	(1,145,797)
As at 31 March 2019	1	(1,526,205)	(2,231)	(1,528,435)

STATEMENT OF CASH FLOWS*for the financial year ended 31 March 2019*

	Note	2019	2018
		\$	\$
<u>Cash flows from operating activities</u>			
Loss before income tax		(1,135,009)	(629,524)
<u>Adjustments for:</u>			
Foreign exchange differences		(10,788)	(6,545)
Depreciation of plant and equipment	9	27,733	28,299
Operating cash flows before working capital changes		(1,118,064)	(607,770)
<u>Changes in working capital</u>			
Changes in provision for employees' end of service benefits		(62,495)	(103,012)
Changes in trade and other receivables		2,933,387	295,491
Changes in amounts owing from related parties		630,315	1,876,381
Changes in contract assets		231,159	1,329,169
Changes in trade and other payables		(857,645)	(3,684,474)
Changes in amounts owing to related parties		(1,721,103)	2,030,059
Changes in contract liabilities		-	(1,060,529)
		1,153,618	683,085
Net cash generated from operating activities		35,554	75,315
<u>Cash flows from financing activities</u>			
Pledged fixed deposits – net		(951)	1,345
Net cash (used in) / generated from investing activities		(951)	1,345
Net changes in cash and cash equivalents during the year		34,603	76,660
Cash and cash equivalents at beginning of year		262,617	182,405
Effects of exchange rate changes on cash and cash equivalent		(638)	3,552
Cash and cash equivalents at end of year	4	296,582	262,617

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

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

1 CORPORATE INFORMATION

Punj Lloyd Engineering Pte. Ltd. (the "Company") (UEN No. 200900657W) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 195 Pearl's Hill Terrace #03-14 Singapore 168976.

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

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

The Company's Branch is Punj Lloyd Engineering Pte. Ltd., Abu Dhabi Branch, and is registered in the Emirates of Abu Dhabi in accordance with the provisions of the UAE Federal Commercial Law No. 2 of 2015. The principal activities of the Branch are administrative consultancies in on-shore and off-shore oil and gas fields services. The principal place of business of the Branch is located at PO Box 28907, Abu Dhabi.

The Immediate Holding Company is Punj Lloyd Construction Company Ltd. ("PLCC"), a Company incorporated in Saudi Arabia, and the Ultimate Holding Company is Chirag Techno Industries FZCO ("CTIF"), a Company incorporated in Jubel Ali Free Zone, Dubai.

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 2018

On 1 April 2018, 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.

(a) FRS 115 *Revenue from Contracts with Customers*

FRS 115 provides a single, principle based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) FRS 115 *Revenue from Contracts with Customers* (Continued)

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting and incremental costs of obtaining a contract and the cost directly related to fulfilling a contract.

(i) Modified retrospective transition provision under FRS 115

The Company adopted FRS 115 using the modified retrospective approach without restating prior periods’ information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the retained losses as at 1 April 2018.

Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed as at this date.

The Company has elected to apply FRS 115 retrospectively only to contracts that are not completed at the date of initial application using the modified retrospective approach. Accordingly, the Company did not restate contracts that are completed as at 31 March 2018.

(ii) Presentation of contract assets and contract liabilities

The Company has also changed the presentation of certain amounts in the statement of financial position sheet as at 31 March 2018 on adopting FRS 115:

- Contract assets relating to revenue from contracts were previously presented as “Contract work-in-progress” of \$358,847 (1 April 2017: \$1,311,975).

At the date of initial application and 31 March 2019, the Company has assessed that the adoption of FRS 115 does not have any material impact to the financial position and results of the Company.

(b) FRS 109 *Financial Instruments*

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018. It includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace FRS 39 incurred loss model.

The Company applied FRS 109 using a modified retrospective approach, with date of initial application on 1 April 2018. The Company have not restated the comparative information, which continues to be reported under FRS 39.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) FRS 109 *Financial Instruments* (Continued)

(i) Classification and measurement

Under FRS 109, the Company classify its financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Company's business model was made as of the date of initial application on 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The following are the changes in classification and measurement arising from adopting FRS 109:

- Loans and receivables (including trade and other receivables (excluding prepayments), fixed deposits, amounts owing from related parties, contract assets and cash and cash equivalents) as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

(ii) Impairment

FRS 109 requires the Company to record expected credit losses on all of its financial assets at amortised cost, either on a 12-month or lifetime basis. The Company has assessed that there is no material impact of applying the new standard on the Company's financial statements.

At the date of initial application and 31 March 2019, the Company have assessed that the adoption of FRS 109 does not have any material impact to the financial position and results of the Company.

2.2 Going concern

The Company incurred a net loss of \$1,145,797 (2018: net loss of \$636,069) during the financial year ended 31 March 2019 and as at that date, the Company's total liabilities exceeded its total assets by \$1,528,435. 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. The ability of the Company to continue as a going concern depends on the holding company's undertaking to provide continuing financial support to enable the Company to continue as a going concern.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its 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 statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to as customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Revenue from contract

The Company provide administrative consultancies in on-shore and off-shore oil and gas field services. Revenue may be recognised at a point in time or over time following the timing of satisfaction of the performance obligation. If a performance obligation is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

A contract asset is recognised for the Company's right to consideration for the work performed under the contract but not billed to the customer. Conversely, a contract liability is recognised when the Company received advance consideration from customer or progress billings issued in excess of the Company's rights to consideration under the contract.

Contract assets are transferred to trade receivables when the rights to the consideration become unconditional. Contract liabilities are recognised as revenue as the Company performs the work under the contract.

(b) Interest income

Interest income is recognised using the effective interest method.

2.4 Plant and equipment

(a) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation of plant and equipment

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

	Useful lives
Computer and equipment	3 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Plant and equipment (Continued)

(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 associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income within "other (losses) / gains - net".

2.5 Impairment of non-financial assets

Plant and equipment 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 the 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 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 is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Financial assets

The accounting for financial assets before 1 April 2018 are as follows:

(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.

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 is presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" (Note 6), "Amounts owing from related parties" (Note 7), "Contract assets" (Note 8) and "Cash and cash equivalents" (Note 4) 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 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.

(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 the end of each reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Financial assets (Continued)

The accounting for financial assets before 1 April 2018 are as follows: (Continued)

(e) Impairment (Continued)

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 statement of comprehensive income.

The impairment allowance is reduced through 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.

The accounting for financial assets from 1 April 2018 are as follows:

(f) Classification and measurement

The Company classifies its financial assets in the following measurement categories: amortised cost. The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Financial assets (Continued)

The accounting for financial assets from 1 April 2018 are as follows: (Continued)

(f) Classification and measurement (Continued)

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents, fixed deposits, trade and other receivables, amounts owing from related parties and contract assets.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(g) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The management does not expect significant adjustments to the Company's financial statements.

For trade receivable, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(h) 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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.7 Offsetting financial instruments

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

2.8 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Fair value estimation of financial assets and liabilities

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

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.

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 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.

Current income taxes are recognised as income or expense in the statement of comprehensive income.

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.

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.

All other foreign exchange gains and losses impacting the statement of comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Employee compensation

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.

2.16 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 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.

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 the parent of the Company.

(b) An entity is related to the Company if any of the following conditions apply:

- (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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

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) Expected credit losses (ECL) on trade receivables

Expected credit losses (ECL) on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account current conditions and assessment of future economic conditions.

The Company has used relevant current payment patterns to determine the probability of default of the instruments and also incorporated forward looking information, including significant changes in external market indicators.

As at 31 March 2019, the Company's trade receivables amounted to \$Nil. During the financial year, there was no ECL provided, as the Company is of the view that the need to provide for expected credit loss is minimal after the assessment for current customers' payment patterns.

The carrying amounts of trade and other receivables at the end of each financial year are disclosed in Note 6.

(b) Plant and equipment

The cost of plant and equipment are depreciated on a straight-line basis over their respective useful lives.

The Company estimates the useful lives of these plant and equipment to be within 3 years. The estimation of the useful lives and residual amount involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage.

Any changes in the expected useful lives of these assets would affect the net carrying amounts of the plant and equipment and the depreciation charges for the financial year.

The carrying amounts of the Company's plant and equipment as at 31 March 2019 and the annual depreciation charges for the financial year ended 31 March 2019 are disclosed in Note 9.

4 CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at bank and cash on hand	296,582	262,617

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

5 FIXED DEPOSITS

	2019	2018
	\$	\$
Fixed deposits	20,209	19,258

At the end of the reporting period, the carrying amounts of fixed deposits approximate their fair values.

The fixed deposits are pledged as collateral for a commercial license issued by the Department of Economic Development, Abu Dhabi, for the setting up of a Branch. The fixed deposits are refundable upon cancellation of the license.

6 TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
<u>Trade receivables</u>		
Non-related parties	-	614,222
Ultimate and immediate holding companies	-	2,168,622
	-	2,782,844
<u>Other receivables</u>		
Deposits	41,708	42,474
Prepayments	27,683	119,170
Other receivables	-	178,720
	69,391	340,364
	69,391	3,123,208

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

The average credit period of the trade receivables is Nil days (2018: 0 to 60 days). No interest is charged on the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***7 AMOUNTS OWING FROM / (TO) RELATED PARTIES**

	2019	2018
	\$	\$
<u>Amounts owing from related parties (Note 16(b))</u>		
Ultimate holding company	-	211,739
Immediate holding company	-	418,576
Related company	120,430	-
	<u>120,430</u>	<u>630,315</u>
<u>Amounts owing to related parties (Note 16(c))</u>		
Ultimate holding company	(288,662)	-
Immediate holding company	-	(2,059,009)
Related company	(32,341)	-
	<u>(321,003)</u>	<u>(2,059,009)</u>

At the end of the reporting period, the carrying amounts of the amounts owing from/to related parties approximate their fair values.

The amounts owing from/to related parties is non-trade in nature, unsecured, interest-free and repayable upon demand.

8 REVENUE FROM CONTRACTS WITH CUSTOMERS**(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of services over time in the geographical regions. Revenue is attributed to countries by location of customers.

	Over time
	\$
2019	
<u>Contract revenue (Note 2.3(a))</u>	
- Abu Dhabi	<u>2,809,660</u>
2018	
<u>Contract revenue (Note 2.3(a))</u>	
- Abu Dhabi	<u>5,784,475</u>

(b) Contract assets

	2019	2018
	\$	\$
Contract assets		
- Contract revenue	<u>127,688</u>	<u>358,847</u>

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***9 PLANT AND EQUIPMENT**

	Computer and equipment	Total
	\$	\$
<u>Cost</u>		
As at 1 April 2017	121,009	121,009
Foreign exchange difference	(8,926)	(8,926)
As at 31 March 2018	112,083	112,083
Disposal	(58,126)	(58,126)
Foreign exchange difference	3,882	3,882
As at 31 March 2019	57,839	57,839
<u>Accumulated depreciation</u>		
As at 1 April 2017	59,320	59,320
Depreciation charge	28,299	28,299
Foreign exchange difference	(5,374)	(5,374)
As at 31 March 2018	82,245	82,245
Depreciation charge	27,733	27,733
Disposal	(57,641)	(57,641)
Foreign exchange difference	2,759	2,759
As at 31 March 2019	55,096	55,096
<u>Net book value</u>		
As at 31 March 2018	29,838	29,838
As at 31 March 2019	2,743	2,743

10 TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
<u>Trade payables</u>		
Non-related parties	1,405,629	1,105,329
Related parties	16,903	-
	1,422,532	1,105,329
<u>Other payables</u>		
Accruals for operating expenses	-	893,415
Advances	245,529	572,554
	245,529	1,465,969
	1,668,061	2,571,298

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***10 TRADE AND OTHER PAYABLES (Continued)**

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

The average credit period of trade payables is 0 to 60 days (2018: 0 to 60 days). No interest is charged on trade payables

11 SHARE CAPITAL

	2019		2018	
	No. of shares	Amount of shares	No. of shares	Amount of shares
		\$		\$
<u>Ordinary shares with no par value</u>				
<u>Issued and fully paid</u>				
Beginning and end of financial year	1	1	1	1

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 INCOME

	2019	2018
	\$	\$
Other income	739	1,414
Interest income	294	176
	<u>1,033</u>	<u>1,590</u>

13 OTHER (LOSSES) / GAINS – NET

	2019	2018
	\$	\$
Foreign exchange (losses) / gains	(5,681)	47
Gain on disposal of plant and equipment	1,678	-
	<u>(4,003)</u>	<u>47</u>

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***14 EXPENSES BY NATURE**

	2019	2018
	\$	\$
Cost of sales	3,113,296	5,982,822
Depreciation of plant and equipment (Note 9)	27,733	28,299
Legal and professional fees	355,907	(149,877)
Administration expenses	444,763	554,392
Total cost of sales and administrative expenses	3,941,699	6,415,636

15 INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 were:

	2019	2018
	\$	\$
Current income tax	-	-

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

	2019	2018
	\$	\$
Loss before income tax	(1,135,009)	(629,524)
Income tax using the statutory tax rate of 17% (2018: 17%)	(192,952)	(107,019)
Tax effects of:		
Elimination of overseas operations	188,237	102,208
Expenses not deductible for tax purposes	4,715	4,811
Tax charge	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

16 RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	2019	2018
	\$	\$
Sale of goods to the ultimate holding company	1,794,951	1,196,979
Expenses from the immediate holding company	-	960,407
Expenses from the ultimate holding company	129,810	1,201,968

The director of the Company is of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

Outstanding balances at 31 March 2019 and 31 March 2018 arising from sale or purchase of goods and services are set out in Note 6 and 10 respectively.

(b) Amounts owing from related parties

The amounts owing from related parties amounting to \$120,430 (2018: \$630,315) as set out in Note 7 are unsecured, interest-free and have no fixed repayment terms.

(c) Amounts owing to related parties

The amounts owing to related parties amounting to \$321,003 (2018: \$2,059,009) as set out in Note 7 are unsecured, interest-free and have no fixed repayment terms.

17 CONTINGENT LIABILITIES

As at 31 March 2019, the Company has contingent liabilities towards outstanding guarantees amounting to \$1,914,239 (AED 5,186,234) (2018: \$ 5,057,669 (AED 14,170,071)).

The director of the Company considered the default risk of the financial guarantee contract to be insignificant, and hence no liability has been recorded in the financial statements of the Company.

18 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk and interest rate), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Company's financial performance.

The director is responsible for setting the objectives and underlying principles of financial risk management for the Company and has established detailed policies such as authority levels and oversight responsibilities.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2019***18 FINANCIAL RISK MANAGEMENT (Continued)****Financial risk factors (Continued)****(a) Market risk****(i) Currency risk**

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies.

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 Arab Emirates Dirhams (AED) and United States Dollar (USD).

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

	SGD	AED	USD	TOTAL
	\$	\$	\$	\$
2019				
<u>Financial assets</u>				
Cash and cash equivalents	20,536	259,829	16,217	296,582
Fixed deposits	-	20,209	-	20,209
Trade and other receivables	-	41,708	-	41,708
Amounts owing from related parties	120,430	-	-	120,430
Contract assets	-	127,688	-	127,688
	<u>140,966</u>	<u>449,434</u>	<u>16,217</u>	<u>606,617</u>
<u>Financial liabilities</u>				
Trade and other payables	16,903	1,405,629	-	1,422,532
Amounts owing to related parties	32,341	288,662	-	321,003
	<u>49,244</u>	<u>1,694,291</u>	<u>-</u>	<u>1,743,535</u>
Currency exposure	<u>91,722</u>	<u>(1,244,857)</u>	<u>16,217</u>	<u>(1,136,918)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

18 FINANCIAL RISK MANAGEMENT (Continued)**Financial risk factors (Continued)****(a) Market risk (Continued)****(i) Currency risk (Continued)**

	SGD	AED	USD	TOTAL
	\$	\$	\$	\$
<u>2018</u>				
<u>Financial assets</u>				
Cash and cash equivalents	11,992	220,763	29,862	262,617
Fixed deposits	-	19,258	-	19,258
Trade and other receivables	-	3,004,037	-	3,004,037
Amounts owing from related parties	-	630,315	-	630,315
Contract assets	-	358,847	-	358,847
	<u>11,992</u>	<u>4,233,220</u>	<u>29,862</u>	<u>4,275,074</u>
<u>Financial liabilities</u>				
Trade and other payables	11,820	1,986,924	-	1,998,744
Amounts owing to related parties	139,508	1,919,501	-	2,059,009
	<u>151,328</u>	<u>3,906,425</u>	<u>-</u>	<u>4,057,753</u>
Currency exposure	<u>(139,336)</u>	<u>326,795</u>	<u>29,862</u>	<u>217,321</u>

Sensitivity analysis for currency risk

If the AED and USD changes against the SGD by 5% (2018: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase / (Decrease)	
	Profit after tax	
	2019	2018
	\$	\$
<u>AED against SGD</u>		
- strengthened	(51,662)	13,562
- weakened	<u>51,662</u>	<u>(13,562)</u>
<u>USD against SGD</u>		
- strengthened	673	1,239
- weakened	<u>(673)</u>	<u>(1,239)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

18 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(a) Market risk (Continued)

(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 have 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 refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and bank balances and trade receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. There is no significant concentration of credit risk.

The Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables from customers. In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers current payment patterns for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Based on the Company's current customers' payment patterns, the risk for default of the trade receivables for current and past due within 1 to 90 days is minimal. Hence, the Company is of the view that the need to provide for expected credit loss is minimal.

Previous accounting policy for impairment of trade receivables

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

18 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(b) Credit risk (Continued)

Previous accounting policy for impairment of trade receivables (Continued)

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

Bank balances that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

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

There is no other class of financial assets that are past due and/or impaired except for trade receivables as follows:

The age analysis of trade receivables past due but not impaired as at 31 March 2018 and 31 March 2017 are set out as follows:

	2018	2017
	\$	\$
Past due less than 60 days	798,420	1,702,445
Past due within 60 to 90 days	102,404	-
Past due more than 90 days	1,882,020	1,044,133
	2,782,844	2,746,578

(c) Liquidity risk

The Company manage the liquidity risk by maintaining sufficient cash to meet their normal operating commitments.

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

	2019	2018
	\$	\$
<u>Less than 1 year</u>		
Trade and other payables	1,422,532	1,998,744
Amounts owing to related parties	321,003	2,059,009
	1,743,535	4,057,753

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

18 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (Continued)

(d) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position, except for the followings:

	2019	2018
	\$	\$
Financial assets, at amortised cost	606,617	4,275,074
Financial liabilities at amortised cost	1,743,535	4,057,753

(e) Fair value measurements

The carrying values of financial assets and liabilities approximate to their fair values.

19 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 profits.

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; and
- (ii) 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 does not need to comply with any externally imposed capital requirements for the financial years ended 31 March 2019 and 31 March 2018. The Company's overall strategy for capital management remains unchanged from 31 March 2018. The Company will continue to be guided by prudent financial policies of which gearing is an important aspect.

20 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2019 or later periods and which the Company has not early adopted. The Company does not expect the adoption of these accounting standards or interpretations to have a material impact on the Company's financial statements.

Punj Lloyd Engineering Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2019

21 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Director of Punj Lloyd Engineering Pte. Ltd. on the same date as indicated on the director's statement.