READYMADE STEEL SINGAPORE PTE. LTD.

(Incorporated in Singapore)
Reg. No.: 201130601Z

Financial Statements for the year ended 31 March 2014

AKBER ALI & CO.
Public Accountants and Chartered Accountants
180B Bencoolen Street
#12-05 The Bencoolen,
Singapore 189648
Tel: 6392 0021
Fax: 63920923
Email: akber@singnet.com.sg

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The director submits the director's report and the audited financial statements of the Company for the financial year ended 31 March 2014.

DIRECTOR

The director of the Company in office at the date of this report is:

Anil Dhanpatlal Agrawal

ARRANGEMENT TO ENABLE DIRECTOR TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the year did there subsist any arrangement whose object is to enable the director of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or other body corporate.

DIRECTOR'S INTEREST IN SHARES

According to the register of director's shareholdings required to be kept under Section 164 of the Companies Act Cap 50, the under mentioned persons who were directors of the Company at the end of the financial year had interests in the shares of the Company as detailed below.

	Shareholdings Registered in the Name of the Directors		Shareholdings in which Directors are deemed to have an interest	
	At 01.04.2013	At 31.03.2014	At 01.04.2013	At 31.03.2014
	Number of Shares			
Holding Company				
Readymade Steel India Limited				
Ordinary Shares				
Anil Dhanpatlal Agrawal	5,265,000	5,265,000	-	-
The Company				
READYMADE STEEL SINGAPORE PTE. LTD.				
Ordinary Shares				
Anil Dhanpatlal Agrawal	-	-	6,548,574	6,548,574

DIRECTOR'S CONTRACTUAL BENEFITS

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

OPTIONS

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

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

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

AUDITORS

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

Signed by,

Anil Dhanpatlal Agrawal
Director

Singapore
22 AUG 2014

In my opinion,

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the results, changes in equity and cash flows of the Company for the financial year then ended, and

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

Signed by,

Anil Dhanpatlal Agrawal
Director

Singapore
22 AUG 2014

AKBER ALI & CO.
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS

180B Bencoolen Street
#12-05 The Bencoolen
Singapore 189648
Tel : (65) 6392 0021
Fax : (65) 6392 0923
H/P : (65) 9730 9947
Email : akber@singnet.com.sg
URL : www.akberali.com
Reg. No. : S97PF0631C
GST Reg. No. : M90368790C

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYMADE STEEL SINGAPORE PTE. LTD. (Reg No: 201130601Z)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **READYMADE STEEL SINGAPORE PTE. LTD.** (the "Company"), which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year ended 31 March 2014, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 19.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014, the results, changes in equity and cash flows of the Company for the financial year ended on that date.

OTHER MATTERS

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements. As at 31 March 2014, the Company was in a net current liabilities position of $1,570,214. The management has obtained financial support from the holding company of the Company that they intend to provide adequate funds to enable the Company to meet its liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months.

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.

Akber Ali

AKBER ALI & CO.
Public Accountants and Chartered Accountants

Singapore
22 AUG 2014

	Note	Year Ended 2014 $	Period Ended 2013 $
Turnover		-	-
Other Income	13	4,585,190	2,362,627
Other Operating Expenses	19	(6,826)	(9,461)
Interest on Term Loan		(761,107)	(635,635)
Profit before Taxation		**3,817,257**	**1,717,531**
Taxation		-	-
Profit after Taxation		**3,817,257**	**1,717,531**
Other Comprehensive Income		-	-
Total Comprehensive Income		**3,817,257**	**1,717,531**

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

	Note	2014 $	2013 $
Non-Current Assets			
Investment in Subsidiary	14	23,799,334	20,599,334
Current Assets			
Sundry Receivables		2,085,880	900,300
Bank Balances	6	92,779	1,327,269
		2,178,659	2,227,569
Current Liabilities			
Accruals		2,000	2,000
Amount Due to Holding Company	8	104,075	73,723
Amount Due to Related Party	9	52,558	53,817
Amount Due to Director	10	60,000	10,000
Amount Due to Bankers - Secured	11	3,530,240	3,466,400
		3,748,873	3,605,940
Net Current Liabilities		(1,570,214)	(1,378,371)
		22,229,120	19,220,963
Non Current Liabilities			
Amount Due to Bankers - Secured	11	(10,389,391)	(10,954,858)
		11,839,729	**8,266,105**
Equity			
Share Capital	5	6,548,574	6,548,574
Retained Earnings		5,291,155	1,717,531
		11,839,729	**8,266,105**

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

	Share Capital $	Retained Earnings $	Total $
Balance as at Incorporation Date	**1**	**-**	**1**
Total Comprehensive Income	-	1,717,531	1,717,531
Issuance of Shares	6,548,573	-	6,548,573
Balance as at 31 March 2013	**6,548,574**	**1,717,531**	**8,266,105**
Total Comprehensive Income	-	3,817,257	3,817,257
Dividends Paid **(Note 21)**	-	(243,633)	(243,633)
Balance as at 31 March 2014	**6,548,574**	**5,291,155**	**11,839,729**

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

	Year Ended 2014 $	Period Ended 2013 $
Cash Flows from Operating Activities		
Profit before taxation	**3,817,257**	**1,717,531**
Adjustments for:		
Interest on Term Loan	761,107	635,635
Operating Cash Flows before Working Capital Changes	**4,578,364**	**2,353,166**
Working Capital Changes:		
Sundry Receivables	(1,185,580)	(900,300)
Accruals	-	2,000
Net Cash Generated from Operating Activities	**3,392,784**	**1,454,866**
Cash Flows from Financing Activities		
Amount Due to Holding Company	30,352	73,723
Amount Due to Related Party	(1,259)	53,817
Amount Due to Director	50,000	10,000
Issue of Share Capital	-	6,548,574
Dividends Paid	(243,633)	-
Amount Due to Bankers	(501,627)	14,421,258
Interest on Term Loan	(761,107)	(635,635)
Net Cash Generated from Financing Activities	**(1,427,274)**	**20,471,737**
Cash Flows from Investing Activity		
Investment in Subsidiary	(3,200,000)	(20,599,334)
Net Cash Flows Used in Investing Activity	**(3,200,000)**	**(20,599,334)**
(Decrease)/Increase in Cash and Cash Equivalents	**(1,234,490)**	**1,327,269**
Cash and Cash Equivalents at Beginning of Year/Period	1,327,269	-
Cash and Cash Equivalents at End of Year/Period	**92,779**	**1,327,269**
Comprising of:		
Cash at Bank	**92,779**	**1,327,269**

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

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

1. Corporate Information

The financial statements of the Company incorporated in Singapore, for the financial year ended 31 March 2014, were authorised for issue in accordance with a resolution of the directors issued on the date of director's report.

The registered office of the Company is located at 35, Sungei Kadut Street 6, Sungei Kadut Industrial Estate, Singapore 728869.

The principal activities of the Company are those of general wholesale trade. However, the Company did not trade during the financial year except that of receiving dividends.

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

Immediate and Ultimate Holding Company

The immediate and ultimate holding company is Readymade Steel India Limited, a Company incorporated in India. The principal activity of the ultimate holding company is providing customised and prefabricated steel products for construction companies in India.

2. Significant Accounting Policies

(a) Basis of Preparation

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

The financial statements of the Company are prepared in accordance with historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The accounting policies have been consistently applied by the Company.

As at 31 March 2014, the Company was in a net current liabilities position of $1,570,214. The management has obtained financial support from the holding company of the Company that they intend to provide adequate funds to enable the Company to meet its liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months.

These financial statements are the separate financial statements of the Company. The Company is a 100% owned subsidiary of Readymade Steel India Limited, a Company incorporated in India which produces consolidated financial statements. The registered office of the holding company where those consolidated financial statements can be obtained is as follows: 203, Joshi Chambers, Ahmedabad Street, Masjid India East, Mumbai-400009, Maharashtra, India.

(b) Functional Currency and Foreign Currency Transactions

Functional Currency

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

Foreign Currency Transactions

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

2. Significant Accounting Policies - continued

(c) Financial Instruments

Financial assets and financial liabilities are generally recognised when contracted for.

(d) Provisions

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

(e) Cash and Cash Equivalents

The above for the statement of cash flows includes bank balances and is subject to an insignificant risk of change in value.

(f) Revenue Recognition

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

Dividend Income from investments is recognised when the shareholders' rights to receive payment have been established.

(g) Employee Benefits

Defined Contribution Plan

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Company's contributions to CPF are charged to the profit or loss in the year to which the contributions relate.

Employee Leave Entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for unconsumed leave as a result of services rendered by employees up to the statement of financial position date.

(h) Income Taxes

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

Deferred income tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the statement of financial position date.

At each statement of financial position date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it is has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

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

2. Significant Accounting Policies - continued

(i) Related Party

A related party is defined as one in which there are common shareholders / directors who control and exercise significant influence in making financial and operating decisions.

Key Management Personnel

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

(j) Financial Liabilities

The Company's financial liabilities include accruals, amount due to holding company, amount due to director, amount due to related party and amount due to bankers-secured.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the profit or loss. Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the year of borrowings using effective interest method.

Borrowings which are due to be settled within twelve months after the statement of financial position date are in current borrowings in the statement of financial position even though the original terms were for a year longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the statement of financial position date. Borrowings to be settled within the Company's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the statement of financial position date are included in the non-current borrowings in the statement of financial position . Equity instruments issued by the Company, if any, are recorded at the proceeds received, net of direct issue costs.

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

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the years in which they are incurred. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

2. Significant Accounting Policies - continued

(l) Impairment of Assets

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

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a re-valued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same re-valued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

(m) Financial Assets

Financial assets include cash and financial instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

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

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

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

2. Significant Accounting Policies - continued

(m) Financial Assets - continued

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date, which are then classified as non-current assets. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date of the impairment is reversed. Any reversal is recognised in the profit or loss.

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

Loans and receivables include trade and non-trade balances with third parties.

(n) Investment in Subsidiary

Investment in subsidiary is stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiary, the differences between net disposal proceeds and the carrying amount of the investment is taken to the profit or loss.

3. New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial year beginning on or after 1 April 2013 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company upon initial application.

4. New Accounting Standards and Interpretations

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

5. Share Capital

	2014 **No. of Shares**	**2014** **$**
Issued and Paid Up Shares	6,548,574	6,548,574

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

6. Bank Balances

At the statement of financial position date, bank balances are denominated in the following currencies:

	2014 **$**	**2013** **$**
Singapore Dollars	16,250	1,319,954
United States Dollars	76,529	7,315
	92,779	1,327,269

7. Taxation

Reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial year were as follows:

	Year Ended 2014 $	Period Ended 2013 $
Profit before Taxation	3,817,257	1,717,531
Tax calculated at tax rate of 17% (2013: 17%)	648,934	291,980
Tax effect on non-deductible expenses	130,548	(291,980)
Tax effect on other income	(765,000)	-
Tax effect on exemption	(14,482)	-
Tax Expense	-	-

8. Amount Due to Holding Company

The above is unsecured, interest-free, non-trade in nature and repayable upon demand.

9. Amount Due to Related Party

The above is unsecured, interest-free, non-trade in nature and repayable upon demand.

10. Amount Due to Director

The above is unsecured, interest-free, non-trade in nature and repayable upon demand.

11. Amount Due to Bankers - Secured

	2014 $	2013 $
Term Loan - secured	13,919,631	14,421,258
	13,919,631	14,421,258
Analysed as:		
Payable within 1 year	3,530,240	3,466,400
Payable within 2-5 years	10,389,391	10,954,858
	13,919,631	14,421,258

Term Loan

The term loan was obtained to finance the Company's investment in subsidiary. The loan is repayable over 5 years with a half yearly repayment of US$1,400,000 commencing from March 2013. The average interest rate exposure to the Company for the facility is the aggregate of the applicable margin and BBA LIBOR.

The term loan is secured on the following:

a. Legal mortgage of the director's personal residential bungalow

b. Shareholding of Readymade Steel India Limited in Readymade Steel Singapore Pte. Ltd.

c. Shareholdings of subsidiary ***(Note 14)***

d. Legal charge over bank account

e. Charge on fixed assets

f. Guarantee by holding company

12. Capital Commitment

At the statement of financial position date, the capital commitments in respect of acquiring 90% shareholdings in the subsidiary amounts to $1,778,666 and a bank facility is arranged for this amount to be disbursed out accordingly based on the payment dates stated in the sales and purchase agreement.

13. Other Income

	Year Ended 2014	**Period Ended 2013**
	$	**$**
Dividend Income	4,500,000	2,340,000
Exchange Gains	85,190	22,627
	4,585,190	2,362,627

14. Investment in Subsidiary

The following information relates to the subsidiary:

	2014	**2013**
	$	**$**
Unquoted Shares At cost	23,799,334	20,599,334

Name of Company (Country of Incorporation and Place of Business)	**Principal Activities**	**Percentage of Equity Held**	**Cost of Investment**
		%	**$**
KH FOGES PTE LTD * (Singapore)	Civil engineering, piling, foundation and geotechnical works, mixed construction acitivities and marine services.	90	23,799,334

* Audited by Ernst and Young LLP, Singapore.

The above investment has been pledged with a banker for banking facility purposes ***(Note 11)***.

15. Financial Instruments

(a) *Fair Values*

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

(b) *Classification of Financial Instruments*

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

	Loans and receivables	**Liabilities at amortised cost**	**Total**
	$	**$**	**$**
2014			
Financial assets			
Sundry Receivables	2,085,880	-	2,085,880
Cash at Bank	92,779	-	92,779
Financial liabilities			
Accruals	-	2,000	2,000
Amount Due to Holding Company	-	104,075	104,075
Amount Due to Related Party	-	52,558	52,558
Amount Due to Director	-	60,000	60,000
Amount Due to Bankers - Secured	-	13,919,631	13,919,631

15. Financial Instruments - continued

(b) Classification of Financial Instruments- continued

	Loans and receivables $	Liabilities at amortised cost $	Total $
2013			
Financial assets			
Sundry Receivables	900,300	-	900,300
Cash at Bank	1,327,269	-	1,327,269
Financial liabilities			
Accruals	-	2,000	2,000
Amount Due to Holding Company	-	73,723	73,723
Amount Due to Related Party	-	53,817	53,817
Amount Due to Director	-	10,000	10,000
Amount Due to Bankers - Secured	-	14,421,258	14,421,258

16. Financial Risk Management

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

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Financial assets that are neither past due nor impaired

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

Liquidity risk

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

As at 31 March 2014, the Company was in a net current liabilities position of $1,570,214. The financial statements have been prepared on a going concern basis as the directors of the Company have agreed to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months.

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

	On demand or within 1 year $	Payable within 5 years $
2014		
Accruals	2,000	-
Amount Due to Holding Company	104,075	-
Amount Due to Related Party	52,558	-
Amount Due to Director	60,000	-
Amount Due to Bankers - Secured	3,530,240	10,389,391

16. Financial Risk Management – continued

Liquidity risk - continued

	On demand or within 1 year $	Payable within 5 years $
2013		
Accruals	2,000	-
Amount Due to Holding Company	73,723	-
Amount Due to Related Party	53,817	-
Amount Due to Director	10,000	-
Amount Due to Bankers - Secured	3,466,400	10,954,858

Market risk

(i) Currency risk

The Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

(ii) Price risk

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

(iii) Interest rate risk

The Company periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels. The Company has insignificant financial assets and liabilities that are exposed to interest rate risks.

17. Related Party Transactions

The Company made the following transactions with its related company, at rates and terms agreed between them, as follows:

	Year Ended 2014 $	Period Ended 2013 $
Subsidiary:		
Dividend Income	4,500,000	2,340,000

18. Capital Risk Management

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

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

The gearing ratio is calculated as debt divided by total capital. Debt is calculated as accruals plus amount due to holding company plus amount due to related party plus amount due to director plus amount due to bankers. Total capital is calculated as total equity plus debt.

	2014 $	2013 $
Debt	14,138,264	14,560,798
Total Equity	11,839,729	8,266,105
Total Capital	25,977,993	22,826,903
Gearing Ratio	54.4%	63.8%

19. Other Operating Expenses

	Year Ended 2014 $	Period Ended 2013 $
Legal and Professional Fees	6,130	4,035
Others	696	5,426
	6,826	9,461

20. Comparative figures

The prior period financial statements cover the period from 11 October 2011 (date of incorporation) to 31 March 2013 (18 months), whereas the current year financial statements cover the financial year ended 31 March 2014 (12 months). As such the figures are not comparable.

21. Dividends

During the financial year, one-tier tax exempt interim dividends of $0.04 per ordinary share amounting to $243,633 were paid to shareholders in respect of the financial year ended 31 March 2014.

	Year Ended 2014 $	Period Ended 2013 $
Turnover	-	-
Other Income		
- Dividend Income	4,500,000	2,340,000
- Exchange Gains	85,190	22,627
	4,585,190	2,362,627
Other Operating Expenses		
Bank Charges	696	596
Legal and Professional Fees	6,130	4,035
Travelling Expenses	-	4,830
	(6,826)	(9,461)
Interest on Term Loan	(761,107)	(635,635)
Profit before Taxation	**3,817,257**	**1,717,531**

The above statement does not form part of the audited financial statements.