CLIENT'S COPY

ANNUAL REPORT 2015
Audited Financial Statements
And Other Financial Information

H P CONSTRUCTION & ENGINEERING PTE LTD
(Registration No: 199604762K)
(Incorporated in the Republic of Singapore)

31 DECEMBER 2015

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H P CONSTRUCTION & ENGINEERING PTE LTD
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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members of the Company together with the audited financial statements of H P Construction & Engineering Pte Ltd for the financial year ended 31 December 2015.

In the opinion of directors:

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial positions of the Company as at **31 December 2015** and of the financial performance, changes in equity and cash flows of the Company for the financial year ended; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Seah Hwa Peng
Seah Hua Choon
Seah Hwa Yih
Law Yu Hong

ARRANGEMENTS TO ENABLE DIRECTORS 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 are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Shareholdings registered in the name of directors	
	As at 01/01/2015	As at 31/12/2015
Seah Hwa Peng	2,800,000	5,201,000
Seah Hua Choon	300,000	650,000
Seah Hwa Yih	--	325,000
Law Yu Hong	--	325,000

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DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the last financial year, no director has received or 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 he is a member, or with a Company in which he has a substantial financial interest.

SHARE OPTIONS

During the financial year, no option was granted to take up unissued shares of the Company. There were no shares issued during the financial year by virtue of the exercise of an option granted to take up unissued shares of the Company. There were no unissued shares under option as at the end of the financial year.

INDEPENDENT AUDITORS

The independent auditors, Messrs. Wu Chiaw Ching & Company, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Seah Hwa Peng
Director

Seah Hua Choon
Director

Singapore, 14 JUN 2016

WU CHIAW CHING & COMPANY
吴喬青特許會計師事務所
Public Accountants and Chartered Accountants, Singapore
Reg No. S87PF0299A

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

H P CONSTRUCTION & ENGINEERING PTE LTD

Report on the financial statements

We have audited the accompanying financial statements of **H P CONSTRUCTION & ENGINEERING PTE LTD** (the "Company"), which comprise the statement of financial position of the Company as at **31 December 2015**, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 33.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements to maintain accountability of assets.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Tel: 6748 4868 Fax: 6747 0929 Email: office@wcc.sg

WU CHIAW CHING & COMPANY
吳喬青特許會計師事務所
Public Accountants and Chartered Accountants, Singapore
Reg No. S87PF0299A

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

H P CONSTRUCTION & ENGINEERING PTE LTD

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at **31 December 2015** and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on other legal and regulatory requirements

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

Wu Chiaw Ching & Company
Public Accountants and
Chartered Accountants

Singapore, 14 JUN 2016

229 Mountbatten Road #02-01 Mountbatten Square Singapore 398007
Tel: 6748 4868 Fax: 6747 0929 Email: office@wcc.sg

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 S$	2014 S$
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,083,969	6,097,014
Total non-current assets		10,083,969	6,097,014
Current assets			
Trade and other receivables	5	9,514,650	5,887,174
Cash and cash equivalents	6	9,467,257	4,889,600
Total current assets		18,981,907	10,776,774
Total assets		29,065,876	16,873,788
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the Company			
Share capital	7	6,501,000	3,100,000
Share application money		-	900,001
Accumulated profits		4,501,095	728,515
Total equity		11,002,095	4,728,516
Non-current liabilities			
Finance lease liabilities	8	54,132	8,898
Bank borrowings	9	3,027,692	3,027,692
Total non-current liabilities		3,081,824	3,036,590
Current liabilities			
Trade and other payables	10	14,138,569	8,781,422
Finance lease liabilities	8	41,080	56,847
Bank borrowings	9	252,308	270,413
Income tax payables		550,000	-
Total current liabilities		14,981,957	9,108,682
Total liabilities		18,063,781	12,145,272
Total equity and liabilities		29,065,876	16,873,788

The accompanying notes form an integral part of these financial statements.

H P CONSTRUCTION & ENGINEERING PTE LTD

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 S$	2014 S$
Revenue	11	49,629,121	28,457,786
Other operating income	12	1,054,613	223,129
Purchases and related costs		(42,829,027)	(25,044,139)
Depreciation of property, plant and equipment	4	(601,208)	(306,337)
Employee benefits	13	(2,063,045)	(1,863,985)
Other operating expenses	14	(861,537)	(997,101)
Profit from operations		4,328,917	469,353
Finance costs	15	(6,337)	(37,773)
Profit before income tax		4,322,580	431,580
Income tax expenses	16	(550,000)	215,000
Profit for the year		3,772,580	646,580
Other comprehensive income:-			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		3,772,580	646,580

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

		Issued capital and reserves attributable to equity equity holders of the Company		
	Note	Share Capital S$	Accumulated Profits S$	Total Equity S$
At 01 January 2014		3,100,000	2,581,935	5,681,935
Total comprehensive income for the year				
- Profit for the year		-	646,580	646,580
Transaction with owners of the Company, recognised directly in equity				
Contribution by and distributions to owners of the Company				
- Dividend to equity holders	17	-	(2,500,000)	(2,500,000)
At 31 December 2014		3,100,000	728,515	3,828,515
Total comprehensive income for the year				
- Profit for the year		-	3,772,580	3,772,580
Transaction with owners of the Company, recognised directly in equity				
Contribution by and distributions to owners of the Company				
- Issued of ordinary shares	7	3,401,000	-	3,401,000
At 31 December 2015		6,501,000	4,501,095	11,002,095

The accompanying notes form an integral part of these financial statements.

H P CONSTRUCTION & ENGINEERING PTE LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 S$	2014 S$
OPERATING ACTIVITIES			
Profit before income tax		4,322,580	431,580
Adjustments for:			
Depreciation of property, plant and equipment	4	601,208	306,337
Interest expenses		6,337	37,773
Interest income		(22,657)	(29,969)
Loss on disposal of property, plant and equipment		2,538	-
Recovery of allowance for impairment loss on trade receivables		(51,369)	-
		4,858,637	745,721
Change in working capital			
Trade and other receivables		(3,613,107)	562,135
Trade and other payables		5,164,653	561,395
Cash flows from operations		6,410,183	1,869,251
Income tax refund / (paid)		-	-
Net cash from operating activities		6,410,183	1,869,251
INVESTING ACTIVITIES			
Interest received		22,657	29,969
Proceeds from disposal of property, plant and equipment		7,163	-
Purchase of property, plant and equipment	4	(4,501,364)	(5,011,252)
Net cash from investing activities		(4,471,544)	(4,981,283)
FINANCING ACTIVITIES			
Dividend paid		-	(2,500,000)
Interest paid		(6,337)	(37,773)
Non-trade loan from a director		37,000	(37,000)
Non-trade loan to a director		192,494	-
Proceeds from bank borrowings		-	3,280,000
Proceeds from issue of ordinary shares		2,500,999	-
Proceeds from share application of money		-	900,001
Repayment of bank borrowings		(18,105)	(214,666)
Repayment of finance lease liabilities		(67,033)	(65,004)
Net cash from financing activities		2,639,018	1,325,558
Net increase / (decrease) in cash and cash equivalents		4,577,657	(1,786,474)
Cash and cash equivalents at beginning of the year		4,889,600	6,676,074
Cash and cash equivalents at end of the year	6	9,467,257	4,889,600

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

These notes form an integral part of the financial statements.

1. DOMICILE AND ACTIVITIES

H P CONSTRUCTION & ENGINEERING PTE LTD (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office and principal place of business is at 60 Ubi Crescent, #01-11 Ubi Techpark, Singapore 408569.

The principal activities of the Company are to carry on the business of building construction, civil engineering, renovation and providing consultancy services in building and renovation.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

(b) Basis of measurement

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

(c) Functional and presentation currency

These financial statements are presented in Singapore dollar, which is the Company's functional currency. All financial information is presented in Singapore dollar unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 period in which the estimates are revised and in any future periods affected.

Critical judgements made in applying accounting policies

In the process of applying the accounting policies, management has made certain judgement apart from those involving estimation, which has a significant effect on the amounts recognised in the financial statements.

2. BASIS OF PREPARATION - CONTINUED

(d) Use of estimates and judgements - continued

Critical judgements made in applying accounting policies - continued

Allowance for impairment of trade and other receivables

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Company's receivables at the statement of financial position are disclosed in Note 5 to the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) **Useful lives of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 55 years. These are common life expectancies applied in the similar industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore, future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the statement of financial position is disclosed in Note 4 to the financial statements.

ii) **Income taxes**

The Company has exposure to income taxes in Singapore. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Company's income tax payables and deferred tax liabilities at the statement of financial position are S$550,000 (2014: S$NIL) and S$NIL (2014: S$NIL) respectively.

2. BASIS OF PREPARATION - CONTINUED

(d) Use of estimates and judgements - continued

Key sources of estimation uncertainty – continued

iii) Construction contracts

The Company recognises contract revenue by reference to the stage of completion of the contract activity at the date of financial position, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project engineer.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are initially recognised at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(a) Property, plant and equipment – continued

iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Building in-progress	No depreciation provided
Computer equipment	3 years
Leasehold land and building	50 years
Furniture and fittings	3 years
Leasehold property	55 years
Motor vehicles	5 years
Office equipment	3 years
Plant and equipment	3 years
Renovation	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(b) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Company's statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(c) Financial instruments

i) Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets:

Loan and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(c) Financial instruments - continued

ii) Non-derivative financial liabilities - continued

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables and loans and borrowings.

iii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Impairment

i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

3. **SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

(d) **Impairment - continued**

i) **Non-derivative financial assets - continued**

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) **Non-financial assets**

The carrying amounts of the Company non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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, net of depreciation or amortisation, if no impairment loss had been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(e) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(f) Employee benefits

i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contributions to define contribution pension plans are recognised as an employee benefit expense in statement of comprehensive income in the periods during which services are rendered by employees.

ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(g) Revenue

i) Services

Revenue from services rendered is recognised in profit or loss when:

i) the amount of revenue can be measured reliably;

ii) it is probable that the economic benefits associated with the transaction will flow to the enterprise;

iii) the stage of completion of the transaction at the statement of financial position date can be measured reliably; and

iv) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(g) Revenue - continued

ii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus representing amounts due from customers is shown as 'construction contracts in progress' and included under 'trade and other receivables'. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus representing amounts due to customers is shown as 'billings in advance of work completed' and included under 'deferred income'. Amounts received before the related work is performed are shown as 'customer advances' and included under 'deferred income'.

iii) Rental income

Rental income from subleased property is recognised as other income.

(h) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(i) Finance income and finance costs

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(j) Government grants

Grants that compensate the Branch for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

(k) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:
   (i) Has control or joint control over the Company;
   (ii) Has significant influence over the Company; or
   (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(l) Related parties - continued

(b) An entity is related to the Company if any of the following conditions applies:
   (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
   (vi) The entity is controlled or jointly controlled by a person identified in (a).
   (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(m) New standards and interpretations not adopted

Except as disclosed elsewhere in this report, a number of new standards, amendments to standards and interpretations to existing standards are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. Management has assessed that none of these new standards, amendments to standards and interpretations are expected to have a significant effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

4. PROPERTY, PLANT AND EQUIPMENT

	Building in-progress S$	Computer equipment S$	Leasehold land and building S$	Furniture and fittings S$	Leasehold property S$	Motor vehicles S$	Office equipment S$	Plant and equipment S$	Renovation S$	Total S$
Cost										
At 01 January 2014	--	77,400	--	19,494	1,211,987	524,715	54,190	254,021	--	2,141,807
Additions	491,121	46,815	4,226,789	52,350	--	--	19,005	140,400	34,772	5,011,252
At 31 December 2014	491,121	124,215	4,226,789	71,844	1,211,987	524,715	73,195	394,421	34,772	7,153,059
Additions	3,524,346	27,331	--	70,800	--	702,442	--	272,945	--	4,597,864
Reclassification	(4,015,467)	--	4,015,467	--	--	--	--	--	--	--
Disposal	--	--	--	--	--	(16,168)	--	--	--	(16,168)
Written off	--	--	--	--	--	(50,000)	--	--	--	(50,000)
At 31 December 2015	--	151,546	8,242,256	142,644	1,211,987	1,160,989	73,195	667,366	34,772	11,684,755
Accumulated depreciation and accumulated impairment losses										
At 01 January 2014	--	51,717	--	11,586	264,433	266,523	25,488	129,961	--	749,708
Depreciation for the year	--	38,766	--	23,948	22,036	70,151	24,398	115,447	11,591	306,337
At 31 December 2014	--	90,483	--	35,534	286,469	336,674	49,886	245,408	11,591	1,056,045
Depreciation for the year	--	27,237	80,310	42,460	22,036	207,405	16,974	193,195	11,591	601,208
Disposal	--	--	--	--	--	(6,467)	--	--	--	(6,467)
Written off	--	--	--	--	--	(50,000)	--	--	--	(50,000)
At 31 December 2015	--	117,720	80,310	77,994	308,505	487,612	66,860	438,603	23,182	1,600,786
Carrying amount										
At 01 January 2014	--	25,683	--	7,908	947,554	258,192	28,702	124,060	--	1,392,099
At 31 December 2014	491,121	33,732	4,226,789	36,310	925,518	188,041	23,309	149,013	23,181	6,097,014
At 31 December 2015	--	33,826	8,161,946	64,650	903,482	673,377	6,335	228,763	11,590	10,083,969

4. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Assets pledged as security

As at the date of statement of financial position, the carrying amounts of property, plant and equipment which are mortgaged to financial institutions to secure the Company's banking facilities as set out in Note 9:-

	2015 S$	2014 S$
Building in-progress	--	491,121
Leasehold land and building	8,161,946	4,226,789
Leasehold property	903,482	925,518

As at the date of statement of financial position, the carrying amounts of property, plant and equipment which held under finance leases were as follows:

	2015 S$	2014 S$
Motor vehicles	259,691	178,340

During the financial year, the Company acquired property, plant and equipment by the way of:

	2015 S$	2014 S$
Cash payments	4,501,364	1,731,252
Finance lease	96,500	--
Term loan	--	3,280,000
	4,597,864	5,011,252

5. TRADE AND OTHER RECEIVABLES

	2015 S$	2014 S$
Trade receivables:		
- third parties	8,142,088	3,342,400
Less: Allowance for impairment loss on trade receivables	(716,450)	(767,819)
	7,425,638	2,574,581
Accrued revenue	225,275	225,275
Amount due from a director	--	37,000
Construction contract		
- Due from customers	1,233,627	2,186,897
- Retention	200,000	427,500
Deposits	147,253	197,736
Prepayment	282,857	238,185
	9,514,650	5,887,174

5. TRADE AND OTHER RECEIVABLES - CONTINUED

Amount due from a director is non-trade, unsecured, interest free and repayable on demand.

The Company's average trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Impairment losses

The ageing of receivables at the reporting date is:

	Gross 2015 S$	Impairment losses 2015 S$	Gross 2014 S$	Impairment losses 2014 S$
Not past due	7,314,570	--	2,441,498	(140,000)
More than 90 days	827,518	(716,450)	900,902	(627,819)
	8,142,088	(716,450)	3,342,400	(767,819)

Based on historical default rate, the Company believes that, apart from the above, no other significant impairment allowance is necessary. These receivables are mainly arising by customers that have a good record with the Company.

The movement in the allowance for impairment in respect of receivables during the financial year was as follows:

	2015 S$	2014 S$
At 1 January	767,819	767,819
Impairment loss written back	(51,369)	--
At 31 December	716,450	767,819

6. CASH AND CASH EQUIVALENTS

	2015 S$	2014 S$
Cash at bank and in hand	9,467,257	4,889,600
Cash and cash equivalents in the statement of cash flows	9,467,257	4,889,600

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

7. SHARE CAPITAL

	2015		2014	
	No of shares	S$	No of shares	S$
Fully paid ordinary shares, with no par value				
Balance at beginning of the financial year	3,100,000	3,100,000	3,100,000	3,100,000
Issued of ordinary shares	3,401,000	3,401,000	--	--
Balance at end of the financial year	6,501,000	6,501,000	3,100,000	3,100,000

During the financial year, an additional 3,401,000 fully paid ordinary share of S$1.00 each were issued for cash by the Company.

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 ordinary shares rank equally with regard to the Company's residual assets.

As a result of the Companies (Amendment) Act 2005, the concept of authorised share capital and par value has been abolished.

8. FINANCE LEASE LIABILITIES

	Note	2015 S$	2014 S$
Non-current			
Finance lease liabilities	18	54,132	8,898
Current			
Finance lease liabilities	18	41,080	56,847

The effective interest rates implicit in the finance lease liabilities are approximately 5.63% (2014: 6.61%) per annum.

9. BANK BORROWINGS

	2015 S$	2014 S$
Non-current		
Term loan due within two to five years	1,009,231	1,009,230
Term loan more than five years	2,018,461	2,018,462
	3,027,692	3,027,692
Current		
Term loan due within one year	252,308	270,413

9. BANK BORROWINGS - CONTINUED

The bank facilities are secured by:

a) a legal mortgage of Company's leasehold property at 60 Ubi Crescent, #01-11 Singapore 408569;

b) a legal mortgage of Company's leasehold land and building at Plot 6, Tuas South Street 6 Singapore; and

c) joint and several guarantee executed by all Company's director.

The effective interest rate implicit in the term loan is approximately 6.75% (2014: 6.75%) per annum.

10. TRADE AND OTHER PAYABLES

	2015 S$	2014 S$
Trade payables:		
- third parties	9,785,875	2,541,220
- related party	1,979	80,452
	9,787,854	2,621,672
Accrued expenses	580,820	336,622
Amount due to a director	192,494	--
Compensation claim received	--	337,766
Construction contract		
- Due to customers	570,474	916,457
- Retention	2,815,627	1,954,705
Dividend payables	--	2,500,000
Withholding tax payables	191,300	114,200
	14,138,569	8,781,422

Amount due to a director is non-trade, unsecured, interest free and repayable on demand.

Compensation claim represented unearned claim of performance bond from service providers who unable to perform the duty as contracted.

The Company's average trade credit term ranges to 30 to 60 days.

11. REVENUE

	2015 S$	2014 S$
Construction contracts	49,629,121	28,457,786

12. OTHER OPERATING INCOME

	2015 S$	2014 S$
Compensation claim received	739,277	--
Productivity Innovation Credit Scheme:-		
- PIC cash payout	32,976	120,000
Government grants:-		
- Government-Paid Childcare Leave Scheme	4,661	3,554
- Government-Paid Maternity Leave Scheme	12,554	--
- Government-Paid Paternity Leave Scheme	670	--
- iSprint Grants	3,177	--
- Mechanisation credit	39,200	--
- Productivity Improvement Project Scheme	60,400	--
- Special Employment Credit	5,580	5,573
- Temporary Employment Credit	8,122	--
- Wage Credit Scheme	17,963	20,472
Interest income	22,657	29,969
Other income	50,007	37,561
Recovery of allowance for impairment loss on trade receivables	51,369	--
Rental income	6,000	6,000
	1,054,613	223,129

13. EMPLOYEE BENEFITS

	2015 S$	2014 S$
Employee benefits		
- Salaries, bonus and other costs	1,886,119	1,763,300
- Central Provident Fund and other pension costs	176,926	100,685
	2,063,045	1,863,985

14. OTHER OPERATING EXPENSES

These are included the following:

	2015 S$	2014 S$
Commission	76,430	35,860
Directors' fee	--	150,000
Entertainment	131,947	112,495
Legal and professional fee	283,363	287,499
Loss on disposal of property, plant and equipment	2,538	--
Rental of store	41,983	120,415

15. FINANCE COSTS

	2015 S$	2014 S$
Interest		
Finance lease interest	6,302	6,264
Term loan interest	35	31,509
	6,337	37,773

16. INCOME TAX EXPENSES

	2015 S$	2014 S$
Current tax expenses		
Current year	550,000	--
Adjustment for prior years	--	(215,000)
	550,000	(215,000)

A reconciliation between the tax expenses and the product of accounting profits multiplied by the applicable tax rate for the financial year ended 31 December was as follows:

	2015 S$	2014 S$
Reconciliation of effective tax rate		
Profits before income tax	4,322,580	431,580
Tax calculated using Singapore tax rate at 17%	734,839	73,369
Adjustment for prior years	--	(215,000)
Deferred tax liabilities not provided	--	--
Enhanced deduction for productivity innovation credit	(27,452)	--
Expenses not deductible for tax purposes	36,762	7,875
Income not subject to tax	(5,606)	(20,400)
Statutory income exemption	(25,925)	--
Utilisation of previously unrecognised deferred tax assets	(162,618)	(60,844)
	550,000	(215,000)

There is no provision for income tax as there is no chargeable income. Subject to the agreement of the comptroller of income tax and compliance with relevant provision of the income tax act, the Branch has unabsorbed losses and capital allowances of approximately S$NIL (2014: S$795,799) and S$NIL (2014: S$NIL) respectively which are available for set off against future taxable income.

17. DIVIDENDS

	2015 S$	2014 S$
Declared and paid during the year		
Interim dividend on ordinary shares:		
- First interim dividend tax exempt (one tier) dividend for 2015: S$NIL (2014: S$0.81) per share	--	2,500,000

18. COMMITMENTS

Finance Lease Commitment

	Minimum Lease payment		Present value of Minimum lease payment	
	2015	2014	2015	2014
	S$	S$	S$	S$
Finance Leases				
Not later than one year	44,218	62,414	41,080	56,847
Later than one year but not later than five years	58,178	9,646	54,132	8,898
	102,396	72,060	95,212	65,745
Less: Amount representing future finance charges	(7,184)	(6,315)	--	--
	95,212	65,745	95,212	65,745

Presented as:	Note	2015 S$	2014 S$
Current finance lease liabilities	8	41,080	56,847
Non-current finance lease liabilities	8	54,132	8,898
		95,212	65,745

Operating Lease Commitments

Lease as lessee

Non-cancellable operating lease rental are payable as follows:

	2015	2014
	S$	S$
Payable:		
Not later than one year	--	302,940
Later than one year but not later than five years	--	--
	--	302,940

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2015	2014
	S$	S$
With companies in which the directors have interests		
Purchases of materials	1,000	--
Sales	26,567	--
Sub-contractor fee charged	898,221	--
Other income received	18,784	13,453
Rental income received	6,000	--
With director and related party		
(Repayment from) / advances to a director	(37,000)	37,000
Advances from a director	192,494	--

19. SIGNIFICANT RELATED PARTY TRANSACTIONS - CONTINUED

Key management personnel compensation

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

Compensation payable to key management personnel comprised:

	2015 S$	2014 S$
Directors' fee	--	150,000
Short - term employee benefits	794,190	648,800
Central Provident Fund Contribution	57,467	37,881
	851,657	836,681

20. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year, the Company's policy that no derivative and forward foreign exchange contracts shall be undertaken for hedging and speculative purposes. The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

i) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to impairment of trade and other receivables is not significant.

Exposure to credit risk

At the statement of financial position, the Company's maximum exposure to credit risk is the carrying amount of the related financial assets presented on the statement of financial position.

20. **FINANCIAL INSTRUMENTS - CONTINUED**

Financial risk management objectives and policies - continued

i) **Credit risk – continued**

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade and other receivables).

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the country of its trade receivables basis on an ongoing basis. The credit risk concentration profile of the Company's trade and other receivables (excluded prepayment) and cash and cash equivalents at the statement of financial position date are as follows:

	2015	2014
	S$	S$
By country		
Singapore	18,699,050	10,538,589

ii) **Liquidity risk**

The objective of liquidity management is to ensure that the Company has sufficient funds to meet its contractual and financial obligations. To manage liquidity risk, the Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation. The Company maintains adequate amount of committed credit facilities from financial institutions to ensure availability of funding for its future needs.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the statement of financial position based on contractual undiscounted payments.

		Contractual undiscounted Cash flows			
	Carrying amount	Total	Within 1 year	Within 2 to 5 years	More than 5 years
	S$	S$	S$	S$	S$
2015					
Trade and other payables	14,138,569	14,138,569	14,138,569	--	--
Term loan	3,280,000	4,167,912	320,609	1,282,434	2,564,869
Finance lease	95,212	102,396	44,218	58,178	--
	17,513,781	18,408,877	14,503,396	1,340,612	2,564,869

20. FINANCIAL INSTRUMENTS - CONTINUED

Financial risk management objectives and policies - continued

ii) **Liquidity risk - continued**

Analysis of financial instruments by remaining contractual maturities

		Contractual undiscounted Cash flows			
	Carrying amount	Total	Within 1 year	Within 2 to 5 years	More than 5 years
	S$	S$	S$	S$	S$
2014					
Trade and other payables	8,781,422	8,781,422	8,781,422	--	--
Term loan	3,298,105	4,186,271	338,968	1,282,434	2,564,869
Finance lease	65,745	72,060	62,414	9,646	--
	12,145,272	13,039,753	9,182,804	1,292,080	2,564,869

iii) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

iv) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their borrowing. The preferred management of interest rate risk exposure in debt obligation is to fix low interest.

v) **Fair values versus carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
		S$	S$	S$	S$
2015					
Trade and other receivables	5	9,231,793	--	9,231,793	9,231,793
Cash and cash equivalents	6	9,467,257	--	9,467,257	9,467,257
		18,699,050	--	18,699,050	18,699,050
Trade and other payables	10	--	(14,138,569)	(14,138,569)	(14,138,569)
Finance lease liabilities	8	--	(95,212)	(95,212)	(95,212)
Term loan	9	--	(3,280,000)	(3,280,000)	(3,280,000)
		--	(17,513,781)	(17,513,781)	(17,513,781)

20. FINANCIAL INSTRUMENTS - CONTINUED

Financial risk management objectives and policies - continued

v) **Fair values versus carrying amounts**

	Note	Loans and receivables S$	Other financial liabilities S$	Total carrying amount S$	Fair value S$
2015					
Trade and other receivables	5	5,648,989	--	5,648,989	5,648,989
Cash and cash equivalents	6	4,889,600	--	4,889,600	4,889,600
		10,538,589	--	10,538,589	10,538,589
Trade and other payables	10	--	(8,781,422)	(8,781,422)	(8,781,422)
Finance lease liabilities	8	--	(65,745)	(65,745)	(65,745)
Term loan	9	--	(3,298,105)	(3,298,105)	(3,298,105)
		--	(12,145,272)	(12,145,272)	(12,145,272)

21. DETERMINATION OF FAIR VALUE

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Non-derivative financial liabilities

The fair values of non-derivative financial liabilities which are determined for disclosure purpose are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Other non-derivative financial assets and liabilities

The carrying amounts of other non-derivative financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The capital structure of the Company comprises of share capital (Note 7) and bank loans (Note 9). The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Company's approach to capital management during the financial year.

The Company is not subject to externally imposed capital requirements.