SWEE HONG LIMITED AND ITS SUBSIDIARIES

(Incorporated in the Republic of Singapore)
(Unique Entity No.: 198001852R)

ANNUAL REPORT (RESTATED)
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 30 June 2014 and the balance sheet of the Company as at 30 June 2014.

Directors

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

Peter Moe	(Appointed on 30 December 2015)
Teo Boon Tieng	(Appointed on 30 December 2015
Anil Dhanpatlal Agrawal	(Appointed on 12 August 2016)
Harish Parameswar	(Appointed on 16 August 2016)
Moorthy Vardhan	(Appointed on 15 September 2017)
Yeo Junyu	(Appointed on 15 September 2017)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the 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' interests in shares or debentures

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

	Holdings registered in name of the director		Holdings in which director is deemed to have an interest	
	At 30.06.2014	At 01.07.2013	At 30.06.2014	At 01.07.2013
Company				
(No. of ordinary shares)				
Ong Hock Leong(1)(2)(3)	4,854,070	4,854,070	147,853,460	147,853,460
Ong Hur Seng (4)	-	12,954,070	-	147,329,650
Ong Keng Huat(5)	-	12,000,000	-	-
Ong Kah Lam (5)	-	14,854,070	-	147,329,650
Ong Hoi Lian (6)	-	23,054,070	-	147,329,650

The directors' interests in the ordinary shares of the Company as at 21 July 2014 were the same as those as at 30 June 2014.

Directors' interests in shares or debentures (Cont'd)

Notes:

(1) SHEC Holdings Pte. Ltd. holds 147,329,650 shares in the Company. Ong Hur Seng, Ong Hock Leong, Ong Hoi Lian and Ong Kah Lam, each hold 20% of the issued share capital of SHEC Holdings Pte. Ltd.. As they each hold not less than 20% of the issued share capital in SHEC Holdings Pte. Ltd., each of them is therefore deemed to have an interest in the shares held by SHEC Holdings Pte. Ltd. pursuant to Section 7 of the Companies Act.

(2) The Estate of Ong Whay Yeow holds 7,333,340 shares in the Company. Ong Whay Yeow passed away intestate on 29 April 1989. Under the Intestate Succession Act, Cap. 146, the beneficiaries under his estate are his spouse, Madam Ang Siew Kee (deceased on 18 August 2014) and his children, amongst which includes, Ong Hock Leong. Each of them is therefore deemed to have an interest held in the name of the Estate of Ong Whay Yeow. Ong Hock Leong's deemed interest includes 523,810 shares held in the name of the Estate of Ong Whay Yeow.

(3) Ceased to act as director due to bankruptcy order made against Ong Hock Leong on 18 February 2016

(4) Resigned on 20 March 2014

(5) Resigned on 23 April 2014

(6) Resigned on 20 March 2014, subsequently reappointed on 5 January 2015 and resigned on 2 September 2016

Directors' contractual benefits

Since the end of the previous 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, except as disclosed in the accompanying financial statements.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

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

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Lawrence Chen Kee Yeong (Chairman) (appointed on 23 April 2014)
Chee Tet Choy Andy (Member) (appointed on 14 April 2014)
Sim Chee Siong (Member) (appointed on 14 April 2014)

All members of the Audit Committee were independent, non-executive directors.

The Audit Committee carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, SGX Listing Manual and the Code of Corporate Governance include the following:

- To review the Company's independent auditor's audit plan and any recommendations on internal accounting controls arising from the statutory audit.
- To review the Company's internal auditor's internal audit scope and their evaluation of the adequacy of Company's internal control and accounting system;
- To review the consolidated financial statements;
- To review the internal control and procedures and ensure co-ordination between the independent auditor and the management, reviewing the assistance given by the management to the auditor, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditor may wish to discuss;
- To review and discuss with the independent auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- To consider and recommend the appointment or re-appointment of the independent auditor and matters relating to resignation or dismissal of the auditors;
- To review transactions falling within the scope of Chapter 9 and Chapter 10 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual;
- To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- Generally to undertake such other functions and duties as may be required by status or the SGX-ST Listing Manual, and by such amendments made thereto from time to time;
- To review arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up; and
- To conduct periodic review of foreign exchange transactions and hedging policies (if any) undertaken by the Group.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
Anil Dhanpatlal Agrawal
Director

....
Teo Boon Tieng
Director

29 September 2017

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 9 to 65 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then 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.

On behalf of the Directors

……………………………………………
Anil Dhanpatlal Agrawal
Director

……………………………………………
Teo Boon Tieng
Director

29 September 2017

Independent Auditor's Report to the Members of Swee Hong Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Swee Hong Limited (the "Company") and its subsidiaries (the "Group") set out on pages 9 to 65, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 30 June 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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 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 profit and loss accounts and balance sheets and 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 judgement, 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 auditor considers 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.

Independent Auditor's Report to the Members of Swee Hong Limited (Cont'd)

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet 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 state of affairs of the Group and of the Company as at 30 June 2014, and of the results, changes in equity and cash flows of the Group for financial year ended on that date.

Emphasis of Matter

(a) Going concern

We draw attention to Note 4 of the financial statements. The Group incurred gross loss of $7.6 million (restated) and net loss of $31.6 million (restated) (2013: gross loss of $7.8 million (restated) and net loss of $16.3 million) respectively for the financial year ended 30 June 2014. The Group's and the Company's current liabilities exceeded its current assets by $15.4 million (2013: net current assets of $21.4 million) and $16.2 million (2013: net current assets of $20.6 million) respectively as at 30 June 2014. In addition, the Company has borrowings totalling $7.4 million (2013: $5.9 million) that are due within the next 12 months.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, the Directors prepared the financial statements based on a going concern basis, and had undertaken the following measures to continue funding the operations:

(i) On 30 June 2014, the Company announced to propose to issue up to 1,474,000,000 Rights Shares, at an issue price of $0.01 for each Rights Share and up to 1,474,000,000 free detachable Warrants ("Proposed Rights cum Warrants Issue") to raise $14.7 million. The proposed Rights cum Warrants Issue is subject to approval of Shareholders of the Company at an extraordinary general meeting ("EGM") to be convened.

On 3 September 2014, the Company announced that Mr Edward Lee Ewe Ming, a shareholder of the Company had given an irrevocable undertaking to the Company to show his support for the Rights Shares cum Warrants Issue.

(ii) An executive director of the Company has undertaken to provide an interest-free loan of $2.5 million to the Company and repayable after 24 months from the date of loan provided to meet the Company's financial obligations as and when they fall due.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties. In forming our opinion, we have considered the adequacy of the disclosure of these matters in the financial statements. Our opinion is not qualified with respect to this matter.

Independent Auditor's Report to the Members of Swee Hong Limited (Cont'd)

Emphasis of Matter

(b) Restatement and reissuance of the financial statements

We draw attention to Note 32(b) to the financial statements which describes the restatement and reissuance of financial statements due to change in measurement of investment property under construction as at the balance sheet date and reclassification of depreciation charge of plant and machinery during the financial year. We issued our auditor's report dated 10 October 2014 on the previously issued financial statements. Due to the restatement described in Note 32(b), we provide this new auditor's report on the reissued financial statements. Our procedures on subsequent events are restricted solely to the amendment of the financial statements as described in Note 32(b).

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 and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Lee Look Ling
(Appointed since financial year ended 30 June 2013)

Singapore

29 September 2017

	Note	2014 $ (Restated)	2013 $ (Restated)
Revenue	5	31,369,123	27,965,634
Cost of works		(38,996,712)	(35,721,739)
Gross loss		(7,627,589)	(7,756,105)
Other (losses)/gains – net	6	(11,427,443)	301,781
Expenses			
- Distribution and marketing		(448,334)	(82,734)
- Administrative		(11,973,426)	(9,889,374)
- Finance	9	(169,238)	(140,712)
		(31,646,030)	(17,567,144)
Share of loss of associated company		(66,806)	-
Loss before income tax		(31,712,836)	(17,567,144)
Income tax credit	10	93,682	1,284,122
Net loss		(31,619,154)	(16,283,022)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains		15,470	37,672
Currency translation differences arising from consolidation			
- Losses		(48)	(11)
Other comprehensive income, net of tax		15,422	37,661
Total comprehensive loss		(31,603,732)	(16,245,361)
Net loss attributable to:			
Equity holders of the Company		(31,619,154)	(16,283,022)
Total comprehensive loss attributable to:			
Equity holders of the Company		(31,603,732)	(16,245,361)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share	11	(8.58)	(4.42)

The accompanying notes form an integral part of these financial statements

		Group		Company	
	Note	2014 $ (Restated)	2013 $	2014 $ (Restated)	2013 $
ASSETS					
Current assets					
Cash and cash equivalents	12	735,501	14,014,308	696,858	13,640,341
Trade and other receivables	13	21,410,776	28,684,800	21,416,843	28,690,819
Construction contract work-in-progress	14	379,833	239,038	379,833	239,038
		22,526,110	42,938,146	22,493,534	42,570,198
Non-current assets					
Available-for-sale financial assets	15	366,234	350,764	366,234	350,764
Investment in subsidiaries	16	-	-	602,006	600,006
Investment in associated company	17	133,194	-	200,000	-
Property, plant and equipment	18	21,034,151	16,292,646	21,034,151	16,292,646
Investment property under construction	19	7,400,000	-	7,400,000	-
		28,933,579	16,643,410	29,602,391	17,243,416
Total assets		51,459,689	59,581,556	52,095,925	59,813,614
LIABILITIES					
Current liabilities					
Trade and other payables	20	30,542,491	15,638,546	31,314,363	16,079,418
Borrowings	21	7,398,165	5,859,525	7,398,165	5,859,525
		37,940,656	21,498,071	38,712,528	21,938,943
Non-current liabilities					
Borrowings	21	8,537,341	1,498,061	8,537,341	1,498,061
Total liabilities		46,477,997	22,996,132	47,249,869	23,437,004
NET ASSETS		4,981,692	36,585,424	4,846,056	36,376,610
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	24	28,579,529	28,579,529	28,579,529	28,579,529
Other reserves	25	162,119	146,697	162,302	146,832
(Accumulated losses)/retained profits	26	(23,759,956)	7,859,198	(23,895,775)	7,650,249
TOTAL EQUITY		4,981,692	36,585,424	4,846,056	36,376,610

The accompanying notes form an integral part of these financial statements

	Share capital $	(Accumulated losses)/ retained profits $	Other reserves $	Total equity $
Group				
2014 (Restated)				
Beginning of financial year	28,579,529	7,859,198	146,697	36,585,424
Total comprehensive (loss)/income for the year				
- As previously reported	-	(19,981,696)	15,422	(19,966,274)
- Adjustments	-	(11,637,458)	-	(11,637,458)
	-	(31,619,154)	15,422	(31,603,732)
End of financial year	28,579,529	(23,759,956)	162,119	4,981,692
2013				
Beginning of financial year	28,579,529	25,247,720	109,036	53,936,285
Dividend paid (Note 27)	-	(1,105,500)	-	(1,105,500)
Total comprehensive (loss)/income for the year	-	(16,283,022)	37,661	(16,245,361)
End of financial year	28,579,529	7,859,198	146,697	36,585,424

The accompanying notes form an integral part of these financial statements

	2014 $ (Restated)	2013 $
Cash flows from operating activities		
Net loss	(31,619,154)	(16,283,022)
Adjustments for:		
- Income tax credit	(93,682)	(1,284,122)
- Depreciation and impairment of property, plant and equipment	2,561,231	2,427,634
- Fair value loss on investment property under construction	11,637,458	-
- Gain on disposal of property, plant and equipment	(9,586)	(19,128)
- Interest income	(48,051)	(77,375)
- Dividend income	(7,824)	(6,866)
- Interest expense	169,238	140,712
- Share of loss of associated company	66,806	-
- Unrealised currency translation gains-net	(48)	(11)
	(17,343,612)	(15,102,178)
Change in working capital:		
- Construction contract work-in-progress	(140,795)	1,604,956
- Trade and other receivables	6,949,645	15,296,630
- Trade and other payables	14,903,945	(9,429,266)
Cash flows generated from/(used in) operations	4,369,183	(7,629,858)
Interest received	48,051	77,375
Interest paid	(106,687)	(89,741)
Income tax refund/(paid)	418,061	(1,397,730)
Net cash provided by/(used in) operating activities	4,728,608	(9,039,954)
Cash flows from investing activities		
Additions to property, plant and equipment	(6,706,986)	(3,660,423)
Additions to investment property under construction	(19,037,458)	-
Investment in associated company	(200,000)	-
Disposal of property, plant and equipment	57,336	124,788
Dividends received	7,824	6,852
Net cash used in investing activities	(25,879,284)	(3,528,783)
Cash flows from financing activities		
Bank deposits released	-	2,619,886
Repayment of finance lease liabilities	(2,137,723)	(1,618,080)
Dividend paid	-	(1,105,500)
Proceeds from borrowings	21,225,819	17,183,217
Repayment of borrowings	(12,004,387)	(13,821,473)
Interest	(62,551)	(50,971)
Net cash provided by financing activities	7,021,158	3,207,079
Net decrease in cash and cash equivalents	(14,129,518)	(9,361,658)
Cash and cash equivalents		
Beginning of financial year	13,710,808	23,072,466
End of financial year (Note 12)	(418,710)	13,710,808

The accompanying notes form an integral part of these financial statements

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

The restatement financial statements of the Group and the Company for the financial year ended 30 June 2014 were authorised for issue in accordance with resolution of the directors on 29 September 2017.

1 General information

Swee Hong Limited (the “Company”) is listed on the Main Board of SGX-ST on 23 May 2012 and incorporated and domiciled in the Republic of Singapore. The address of its registered office and place of business is 190A Choa Chu Kang Avenue 1, Comfort Garden, Singapore 689466.

The principal activities of the Company are building construction and investment holding. The principal activities of the subsidiaries are set out in Note 16.

2 Significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 and Note 4.

Interpretations and amendments to published standards effective in 2014

On 1 July 2013, the Group adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

Amendment to FRS 1 Presentation of Items of Other Comprehensive Income

The Group has also adopted the amendment to FRS 1 Presentation of Items of Other Comprehensive Income on 1 July 2013. The amendment is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

An additional balance sheet and related notes at the beginning of the earliest comparative period is not presented as there is no impact on the balance sheet.

2 Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

FRS 113 Fair Value Measurement

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into the financial statements.

2.2 Revenue recognition

Revenue comprise of the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue are presented, net of goods and services tax, rebates and discounts, and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Revenue from civil engineering and tunnelling

Revenue from construction contract is recognised based on the percentage of completion method as disclosed in Note 2.7.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Government grants

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

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

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

2 Significant accounting policies (Cont'd)

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2 Significant accounting policies (Cont'd)

2.4 Group accounting (Cont'd)

(a) Subsidiaries (Cont'd)

(ii) Acquisitions (Cont'd)

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investment in subsidiaries and associated company" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(i) Acquisitions

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

2 Significant accounting policies (Cont'd)

2.4 Group accounting (Cont'd)

(b) Associated companies (Cont'd)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

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

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

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

2 Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

(b) Depreciation

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

	Useful lives
Leasehold buildings	43 years
Leasehold land	16 years
Plant and machinery	10 years
Office equipment	3 to 10 years
Motor vehicles	5 years
Renovation	5 years

Building under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains – net". Any amount in revaluation reserve relating to that asset is transferred to retained profit directly.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2 Significant accounting policies (Cont'd)

2.7 Construction contracts (Cont'd)

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "Trade and other payables".

Progress billing not yet paid by customers and retention by customer are included within "trade and other receivables". Advances received are included within "Trade and other payables".

2.8 Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

If the fair value of the investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete. The carrying value of investment property under construction is carried at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

2 Significant accounting policies (Cont'd)

2.8 Investment properties (Cont'd)

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investment in subsidiaries and associated company

Investment in subsidiaries and associated company is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

Property, plant and equipment
Investment in subsidiaries and associated company

Property, plant and equipment and investment in subsidiaries and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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

A reversal of impairment loss for an asset is recognised in profit or loss. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

2 Significant accounting policies (Cont'd)

2.11 Financial assets (Cont'd)

(a) Classification (Cont'd)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "Trade and other receivables" and "Cash and cash equivalents" on the balance sheet.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(c) Initial measurement

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

(d) Subsequent measurement

Available-for-sales financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial sales are recognised separately in income. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

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

2 Significant accounting policies (Cont'd)

2.11 Financial assets (Cont'd)

(e) Impairment (Cont'd)

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(iii) Offsetting financial instruments

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

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2 Significant accounting policies (Cont'd)

2.13 Trade and other payables

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

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

2.14 Fair value estimation

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

2.15 Leases

When the Group is the lessee:

The Group leases motor vehicles and certain plant and machinery under finance leases and dormitory for workers, land and equipment under operating leases from non-related parties.

(i) Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee – Operating leases

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

Contingent rents are recognised as an expense in profit or loss when incurred.

2.16 Income taxes

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

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

2 Significant accounting policies (Cont'd)

2.16 Income taxes (Cont'd)

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

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

Deferred income tax is measured:

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

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

2.17 Provisions for other liabilities and charges

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for further operating losses.

2.18 Employee compensation

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

Defined contribution plans

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

2.19 Currency translation

(a) Functional and presentation currency

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

2 Significant accounting policies (Cont'd)

2.19 Currency translation (Cont'd)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

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

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

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency that are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2 Significant accounting policies (Cont'd)

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3 Critical accounting estimates, assumptions and judgements

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

(a) Construction contracts

The Group recognises contract revenue to the extent of contract costs incurred where it is probable those costs will be recoverable or based on the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract.

Significant assumptions are required to determining the stage of completion, the extent of the contract costs incurred the estimated total contract revenue and contract cost, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making judgement, the Group evaluates by relying on past experience.

If the revenue on uncompleted contracts at the balance sheet date had been higher/lower by 5% from management's estimates, the Group's revenue would have been higher/lower by $1,094,887 (2013: $11,928,544).

If the contract costs of uncompleted contracts to be incurred had been higher/lower by 5% from management's estimates, the Group's loss before tax would have been higher/lower by $1,196,999 (2013: $1,963,739).

(b) Estimated impairment of property, plant and equipment

Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that the property, plant and equipment may be impaired.

The recoverable amounts of property, plant and equipment, where applicable, cash-generating-unit ("CGU"), have been determined based on higher of the fair value less costs to sell. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised to profit or loss for the differences.

3 Critical accounting estimates, assumptions and judgements (Cont'd)

(b) *Estimated impairment of property, plant and equipment (Cont'd)*

An impairment loss of $215,955 was recognised in the current financial year ended 30 June 2014 as the fair values less cost to sell valued by independent third party valuer are lower than their carrying amounts. No impairment losses were recognised in prior year as the fair value less cost to sell valued by independent third party valuer are higher than their carrying amounts.

If the market value of the property, plant and equipment increase/decrease by 12% from management's estimates, the Group's and Company's impairment loss will decreased/ increased by $33,268/$39,051 correspondingly to profit or loss.

(c) *Impairment of trade receivables and construction contracts amount due from customers*

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments and inability of the suppliers to deliver the goods. If the financial conditions of the customers and suppliers were to deteriorate, resulting in an impairment of their ability to make payments and deliver the goods, additional allowances may be required in future periods. Management generally evaluate the adequacy of allowance for impairment for trade receivables and construction contracts amount due from customers through analysis of historical bad debt, customer and supplier concentrations, and changes in customer payment terms.

Management reviews its trade receivables and construction contracts amount due from customers for objective evidence of impairment at least annually. Significant financial difficulties of the debtor and supplier, the probability that the debtor and supplier will enter bankruptcy, and default or significant delay in payments and deliveries are considered objective evidence that a receivable or construction contracts amount due from customers is impaired. In determining this, management makes judgements as to whether there is observable date indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor and supplier operates in. Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recognised in profit or loss. The carrying amounts of trade and other receivables at the balance sheet date are disclosed in Note 13.

If the net present values of estimated cash flows increase/decrease by 10% (2013: 10%) from management's estimates for all past due receivables and construction contracts amount due from customers, the Group's and Company's allowance for impairment will decrease/increase by $56,910/$15,892 and $734,849/$354,766 (2013: $80,210/$Nil and $378,079/$234,111) for trade receivables and construction contracts amount due from customers respectively.

(d) *Fair value on investment property under construction*

The Group and Company assesses at each balance sheet date the fair value of the investment property under construction based on valuation by independent professional valuer adjusted, if necessary, for any difference in nature, location or condition of the specific asset. Market conditions may, however change, which may affect the value of the property and accordingly, the carrying amount of investment property under construction may have to be adjusted in future periods.

Management has assessed and concluded that no fair value changes is required to be recognised in respect on investment property under construction of the Group and Company for the financial year ended 30 June 2014 as fair value loss of $11,634,458 had been recognised to the profit or loss.

3 Critical accounting estimates, assumptions and judgements (Cont'd)

(d) Fair value on investment property under construction (Cont'd)

The carrying amount of the investment property under construction is disclosed in Note 19 to the financial statements.

4 Going concern assumption

The Group incurred gross loss of $7.6 million (restated) and net loss of $31.6 million (restated) (2013: gross loss of $7.8 million (restated) and net loss of $16.3 million) respectively for the financial year ended 30 June 2014. The Group's and the Company's current liabilities exceeded its current assets by $15.4 million (2013: net current assets of $21.4 million) and $16.2 million (2013: net current assets of $20.6 million) respectively as at 30 June 2014. In addition, the Company has borrowings totalling $7.4 million (2013: $5.9 million) that are due within the next 12 months.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about on the Group's and the Company's ability to continue as going concerns. Nevertheless, the Directors prepared the financial statements based on a going concern basis, and had undertaken the following measures to continue funding the operations:

(i) On 30 June 2014, the Company announced to propose to issue up to 1,474,000,000 Rights Shares, at an issue price of $0.01 for each Rights Share and up to 1,474,000,000 free detachable Warrants ("Proposed Rights cum Warrants Issue") to raise $14.7 million. The proposed Rights cum Warrants Issue is subject to approval of Shareholders of the Company at an extraordinary general meeting ("EGM") to be convened.

On 3 September 2014, the Company announced that Mr Edward Lee Ewe Ming, a shareholder of the Company had given an irrevocable undertaking to the Company to show his support for the Rights Shares cum Warrants Issue.

(ii) An executive director of the Company has undertaken to provide an interest-free loan of $2.5 million to the Company and repayable after 24 months from the date of loan provided to meet the Company's financial obligations as and when they fall due.

5 Revenue

	Group	
	2014	**2013**
	$	**$**
Revenue from civil engineering	19,938,469	16,885,783
Revenue from tunnelling	11,430,654	11,079,851
	31,369,123	27,965,634

6 Other (losses)/ gains – net

	Group	
	2014	2013
	$	$
	(Restated)	
Currency translation (losses)/ gains - net	(11,075)	24,954
Dividend income	7,824	6,866
Fair value loss recognised on investment property under construction (Note 19)	(11,637,458)	-
Gain on disposal of property, plant and equipment	9,586	19,128
Income from sales of scrap materials	-	3,000
Bank interest income	48,051	77,375
Government grant:		
- Construction Productivity and Capability Fund	-	35,745
- CED Builder	77,500	-
- SME Cash Grant	-	5,000
- Tennessee's Highway Safety Performance Plan	-	2,000
- Special Employment Credit	-	4,038
- Productivity and innovation scheme	15,000	-
- Wages credit scheme	47,379	-
Income from cross deployment of foreign worker	-	106,623
Rental of machinery	-	23,337
Other income/(loss)	15,750	(6,285)
	(11,427,443)	301,781

7 Expenses by nature

	Group	
	2014	2013
	$	$
Purchase of material	6,447,338	8,088,789
Audit fees paid/payable to:		
- Auditor of the Company	90,000	92,500
- Other auditor	30,000	817
Total audit fees	120,000	93,317
Fees paid/payable to auditor of the Company for non-audit services	6,900	7,700
Depreciation of property, plant and equipment (Note 18)	2,345,276	2,427,634
Impairment loss on property, plant and equipment (Note 18)	215,955	-
Employee compensation (Note 8)	10,959,524	8,837,438
Worksite expenses	7,706,267	4,943,717
Allowance for impairment of construction contracts amount due from customers (Note 30(b)(ii))	3,547,659	2,341,106
Allowance for impairment on trade receivables (Note 30(b)(ii))	158,921	-
Sub-contractors charges	16,643,074	15,748,014
Professional fees	167,650	518,266
Upkeep and maintenance for motor vehicles and offices	158,718	235,123
Other expenses	2,941,190	2,452,743
Total cost of works, distribution and marketing costs and administrative expenses	51,418,472	45,693,847

8 Employee compensation

	Group 2014 $	Group 2013 $
Wages and salaries	9,896,816	7,894,144
Employer's contribution to defined contribution plans including Central Provident Fund	608,385	466,180
Other benefits	454,323	477,114
	10,959,524	8,837,438

9 Finance expenses

	Group 2014 $	Group 2013 $
Interest expense:		
- Finance lease liabilities	35,209	50,971
- Bank borrowings	134,029	89,741
	169,238	140,712

10 Income tax credit

	Group 2014 $	Group 2013 $
Tax credit attributable to loss is made up of:		
Loss from current financial year:		
- Deferred income tax (Note 23)	-	(1,199,812)
Overprovision in prior years:		
- Current income tax	(93,682)	(84,310)
	(93,682)	(1,284,122)

10 Income tax credit (Cont'd)

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

	Group	
	2014 $ (Restated)	2013 $
Loss before income tax	(31,712,836)	(17,567,144)
Share of loss of associated company	66,806	-
	(31,646,030)	(17,567,144)
Tax calculated at tax rate of 17% (2013: 17%)	(5,379,825)	(2,986,414)
Effects of:		
- Tax incentive	-	(152,318)
- Expenses not deductible for tax purposes	2,256,467	71,443
- Income not subject for tax purposes	(25,410)	(4,242)
- Deferred tax assets not recognised	3,148,768	1,871,719
	-	(1,199,812)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profit is probable. The Group has unutilised tax losses of $31,800,000 (2013: $15,200,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unutilised tax losses in Singapore.

11 Loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average numbers of ordinary shares outstanding during the financial year.

	Group	
	2014 (Restated)	2013
Net loss attributable to equity holders of the Company ($)	(31,619,154)	(16,283,022)
Weighted average number of ordinary shares outstanding for basic loss per share	368,500,000	368,500,000
Basic and diluted loss per share (cents per share)	(8.58)	(4.42)

There were no dilutive potential ordinary shares during the financial year.

12 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash at bank and on hand	430,404	5,334,696	391,761	4,960,729
Short-term bank deposits	305,097	8,679,612	305,097	8,679,612
	735,501	14,014,308	696,858	13,640,341

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2014	2013
	$	$
Cash and bank balances (as above)	735,501	14,014,308
Less: Bank deposit pledged	(303,500)	(303,500)
Less: Bank overdraft (Note 21)	(850,711)	-
Cash and cash equivalents per consolidated statement of cash flows	(418,710)	13,710,808

Short-term bank deposit amounting to $303,500 (2013: $303,500) have been pledged to financial institution as security for financial facilities.

13 Trade and other receivables

	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Trade receivables	2,428,512	1,381,950	2,428,512	1,381,950
Less: Allowance for impairment (Note 30(b)(ii))	(158,921)	-	(158,921)	-
Trade receivables - net	2,269,591	1,381,950	2,269,591	1,381,950
Construction contracts:				
- Due from customers	20,958,218	26,395,901	20,958,218	26,395,901
- Less: Allowance for impairment (Note 30(b)(ii))	(5,888,765)	(2,341,106)	(5,888,765)	(2,341,106)
- Due from customers - net (Note 14)	15,069,453	24,054,795	15,069,453	24,054,795
- Retention sum (Note 14)	460,999	-	460,999	-
	15,530,452	24,054,795	15,530,452	24,054,795
Non-trade receivables				
- Subsidiary	-	-	6,767	6,719
- Director	-	66,000	-	66,000
- Non-related parties	653,736	1,151,040	653,736	1,151,040
	653,736	1,217,040	660,503	1,223,759
Advances to suppliers	1,280,752	-	1,280,752	-
Deposits	206,616	1,640,798	206,616	1,640,798
Prepayments	1,469,629	65,838	1,469,929	65,138
Income tax recoverable	-	324,379	-	324,379
	21,410,776	28,684,800	21,416,843	28,690,819

The non-trade amount due from subsidiary is unsecured, interest-free and is receivable on demand.

The non-trade amount due from a director is receivable within 12 months.

14 Construction contracts

	Group and Company	
	2014	2013
	$	$
Construction contract work-in-progress:		
Beginning of financial year	239,038	1,843,994
Contract costs incurred	39,107,507	32,464,635
Contract expenses recognised in profit or loss	(38,966,712)	(34,069,591)
End of financial year	379,833	239,038
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	321,687,008	288,286,465
Less: Progress billings	(305,466,514)	(265,827,045)
	16,220,494	22,459,420
Presented as:		
Due from customers on construction contracts (Note 13)	20,958,218	24,054,795
Due to customers on construction contracts (Note 20)	(4,737,724)	(1,595,375)
	16,220,494	22,459,420
Retentions on construction contracts (Note 13)	460,999	-

15 Available-for-sale financial assets

	Group and Company	
	2014	2013
	$	$
Beginning of financial year	350,764	313,078
Fair value gains recognised in other comprehensive income (Note 25)	15,470	37,672
Additions	-	14
End of financial year	366,234	350,764

Available-for-sale financial assets are analysed as follows:

Listed securities		
- Equity securities - Singapore	366,234	350,764

16 Investment in subsidiaries

	Company 2014 $	Company 2013 $
Equity investment at cost		
Beginning of financial year	600,006	600,006
Additions	2,000	-
End of financial year	602,006	600,006

The details of significant subsidiaries are:

Name of Subsidiaries	Principal Activities	Country of Business/ Incorporation	Equity Holdings 2014 %	Equity Holdings 2013 %
Sun Hup Development Pte Ltd (1)	Property developer and provider of general services (dormant)	Singapore	100	100
Swee Hong HK Pte Limited (2)	Civil engineering and trenchless tunnelling (dormant)	Hong Kong	100	100
Swee Hong Dormitories Pte Ltd (3)	Development and operation of dormitories	Singapore	100	-
Swee Hong Construction Pte Limited (3)	Building construction	Singapore	100	-

(1) Audited by Nexia TS Public Accounting Corporation.
(2) Audited by Alfred K. Wong & Company for local statutory purposes.
(3) Not required to be audited as incorporated less than 12 months.

17 Investment in associated company

	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Equity investment at cost			200,000	-
Beginning of financial year	-	-		
Addition	200,000	-		
Share of losses	(66,806)	-		
End of financial year	133,194	-		

17 Investment in associated company (Cont'd)

The summarised financial information of associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group 2014 $	Group 2013 $
- Assets	457,015	-
- Liabilities	36,343	-
- Revenue	-	-
- Net loss	(334,032)	-

The detail of the associated company is:

Name of Subsidiaries	Principal Activities	Country of Business/ Incorporation	Equity Holdings 2014 %	Equity Holdings 2013 %
United Singapore Builders Pte Ltd (1)	Construction	Singapore	100	-

(1) Audited by Nexia TS Public Accounting Corporation.

18 Property, Plant and Equipment

Group and Company	Building under construction $	Leasehold building $	Leasehold land $	Plant and machinery $	Office equipment $	Motor vehicles $	Renovation $	Total $
2014								
Cost								
Beginning of financial year	3,072,301	750,000	2,076,000	16,115,089	1,532,232	3,367,743	312,616	27,225,981
Additions	5,669,918	-	-	1,474,981	45,980	143,787	15,820	7,350,486
Disposals	-	-	-	(115,500)	-	(10,000)	-	(125,500)
End of financial year	8,742,219	750,000	2,076,000	17,474,570	1,578,212	3,501,530	328,436	34,450,967
Accumulated depreciation and impairment losses								
Beginning of financial year	-	366,279	517,875	6,332,252	1,143,943	2,291,072	281,914	10,933,335
Depreciation charge	-	17,442	129,844	1,629,862	119,786	430,420	17,922	2,345,276
Disposals	-	-	-	(67,750)	-	(10,000)	-	(77,750)
Impairment charge	-	-	-	215,955	-	-	-	215,955
End of financial year	-	383,721	647,719	8,110,319	1,263,729	2,711,492	299,836	13,416,816
Net book value								
End of financial year	8,742,219	366,279	1,428,281	9,364,251	314,483	790,038	28,600	21,034,151

18 Property, Plant and Equipment (Cont'd)

Group and Company	Building under construction $	Leasehold buildings $	Leasehold Land $	Plant and machinery $	Office equipment $	Motor vehicles $	Renovation $	Total $
2013								
Cost								
Beginning of financial year	1,097,896	750,000	2,076,000	14,832,266	1,323,418	2,719,094	308,966	23,107,640
Additions	1,974,405	-	-	1,398,050	208,814	822,504	3,650	4,407,423
Disposal	-	-	-	(115,227)	-	(173,855)	-	(289,082)
End of financial year	3,072,301	750,000	2,076,000	16,115,089	1,532,232	3,367,743	312,616	27,225,981
Accumulated depreciation								
Beginning of financial year	-	348,838	388,032	4,894,298	873,992	1,919,858	264,105	8,689,123
Depreciation charge	-	17,441	129,843	1,500,834	269,951	491,756	17,809	2,427,634
Disposal	-	-	-	(62,880)	-	(120,542)	-	(183,422)
End of financial year	-	366,279	517,875	6,332,252	1,143,943	2,291,072	281,914	10,933,335
Net book value								
End of financial year	3,072,301	383,721	1,558,125	9,782,837	388,289	1,076,671	30,702	16,292,646

The carrying amounts of plant and machinery and motor vehicles held under finance leases are $4,620,743 (2013: $4,533,564) and $60,878 (2013: $249,821) respectively at the balance sheet date (Note 22).

On 11 November 2011, the Company entered into a Building Agreement with a government authority for a plot of leasehold land with carrying amount of $1,428,281 (2013: $1,558,125). One of the terms and conditions of leasehold land is to complete the construction of factory facilities stipulated in the agreement by 31 August 2014. As the construction works are unable to complete by targeted completion date, the Company has applied for extension on construction period and subject to the approval of government authority. Leasehold land of the Group was provided as security for bank borrowings (Note 21).

For the purpose of the consolidated statements of cash flows, the Group and Company acquired motor vehicles and plant and machinery with an aggregate cost of $643,500 (2013: $830,000) under finance leases and cash payments of $975,268 (2013: $83,000).

19 Investment property under construction

	Group and Company	
	2014	2013
	$	$
	(Restated)	
Beginning of financial year	-	-
Additions	19,037,458	-
Fair value loss recognised in profit or loss (Note 6)	(11,637,458)	-
End of financial year	7,400,000	-

Investment property under construction is pledged as security for bank borrowings (Note 21).

At the balance sheet date, the details of the Group's and Company's investment property is as follows:

Location	Description	Approximate Land Area (sq m)	Tenure
Admiralty Road West	Dormitory	65,700	1 September 2013 to 30 August 2016 and an option, at the discretion of Building and Construction Authority, Singapore to renew for a further period of three years

Fair value hierarchy - Recurring fair value measurements

	Fair value measurement using		
Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$
30 June 2014			
Investment property under construction			
- Dormitory - Singapore	-	7,400,000	-

Valuation techniques used to derive Level 2 fair values

Level 2 fair value of the Group's and Company's property under construction has been derived using the discounted cash flow approach. Under this approach, a cash flow over the remaining tenure of the lease is projected as analyse the future net cash flows incorporating an appropriate growth rate. The projected net income of the property is derived by deducting from the gross income, outgoings such as operating expenses including land rent and administrative fee payable to a government authority, and an allowance for vacancy. The net income is discounted at an appropriate market derived rate to arrive at the net present value of the net income stream for the remaining lease period. As the property is not completed as at date of valuation, further construction cost to complete the development is deducted to derive the fair value of property in its condition as at 30 June 2014.

Valuation processes of the Group and Company

The Group and Company engages external, independent and qualified valuer to determine the fair value of the Company's property at the end of the financial year based on the property's highest and best use. As at 30 June 2014, the fair values of the investment property under construction have been determined by Suntec Real Estate Consultants Pte Ltd.

20 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Trade payables	21,376,048	12,736,309	21,376,048	12,736,309
Construction contracts:				
- Due to customers (Note 14)	4,737,724	1,595,375	4,737,724	1,595,375
Non-trade payables				
- Subsidiaries	-	-	775,622	444,622
- Non-related parties	472,110	185,701	472,111	185,701
	472,110	185,701	1,247,733	630,323
Accrued operating expenses	3,956,609	1,121,161	3,952,858	1,117,411
	30,542,491	15,638,546	31,314,363	16,079,418

The non-trade amounts due to subsidiaries are unsecured, interest-free and are repayable on demand.

21 Borrowings

	Group and Company	
	2014	2013
	$	$
Current		
Bank overdraft (Note 12)	850,711	-
Bank borrowings	4,969,312	3,895,031
Finance lease liabilities (Note 22)	1,578,142	1,964,494
	7,398,165	5,859,525
Non-current		
Loan from directors	909,155	-
Bank borrowings	7,237,996	-
Finance lease liabilities (Note 22)	390,190	1,498,061
	8,537,341	1,498,061
Total borrowings	15,935,506	7,357,586

21 Borrowings (Cont'd)

The exposure of the borrowings of the Group and the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Group and Company	
	2014	2013
	$	$
Less than 1 year	7,398,165	3,976,780
1 to 5 years	5,822,061	3,380,806
Over 5 years	2,715,280	-
	15,935,506	7,357,586

(a) Security granted

Bank borrowings

The bank borrowings are bearing floating interest rate. The bank borrowings are secured over certain bank deposits (Note 12), investment property under construction (Note 19) and leasehold land (Note 18).

Finance leases

Finance lease liabilities of the Group are effectively secured over the leased plant and machinery and motor vehicles (Note 18), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

Loan from directors

Loan from directors are unsecured, interest free, repayable after 18 months.

(b) Fair value of non-current borrowings

	Group and Company	
	2014	2013
	$	$
Loan from directors	838,413	-
Bank borrowings	6,131,560	-
Finance lease liabilities (Note 22)	390,190	1,498,061

The fair values above are determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group and Company	
	2014	2013
Loan from directors	5.35%	-
Bank borrowings	2.66%	-
Finance lease liabilities (Note 22)	0.22% - 2.99%	0.22% - 2.99%

22 Finance lease liabilities

The Group leases certain plant and machinery and motor vehicles from non-related parties under finance lease agreements. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of lease term.

	Group and Company	
	2014	**2013**
	$	**$**
Minimum lease payments due		
- Not later than one year	1,588,398	1,993,975
- Between one and five years	392,308	1,503,708
	1,980,706	3,497,683
Less: Future finance charges	(12,374)	(35,128)
Present value of finance lease liabilities	1,968,332	3,462,555
Not later than one year (Note 21)	1,578,142	1,964,494
Between one and five years (Note 21)	390,190	1,498,061
Total	1,968,332	3,462,555

23 Deferred tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet and movement in deferred income tax liabilities are as follows:

	Group and Company	
	2014	**2013**
	$	**$**
Accelerated tax depreciation		
Beginning of financial year	-	1,199,812
Tax charge to profit or loss (Note 10)	-	(1,199,812)
End of financial year	-	-

24 Share capital

	Number of shares	**Amount**
		$
Group and Company		
2014 and 2013		
Beginning and end of financial year	368,500,000	28,579,529

24 Share capital (Cont'd)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

25 Other reserves

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
(a) Composition:				
Fair value reserve	162,302	146,832	162,302	146,832
Currency translation reserve	(183)	(135)	-	-
	162,119	146,697	162,302	146,832

	Group and Company	
	2014	2013
	$	$
(b) Movements:		
(i) Fair value reserve		
Beginning of financial year	146,832	109,160
Fair value gains (Note 15)	15,470	37,672
End of financial year	162,302	146,832

	Group	
	2014	2013
	$	$
(ii) Currency translation reserve		
Beginning of financial year	(135)	(124)
Net currency translation differences of financial statements of foreign subsidiaries	(48)	(11)
End of financial year	(183)	(135)

Other reserves are non-distributable.

26 (Accumulated losses)/retained profits

(a) Retained profits of the Group and the Company are distributable.

26 (Accumulated losses)/retained profits (Cont'd)

(b) Movement in (accumulated losses)/retained profits of the Company is as follows:

	Company	
	2014	2013
	$	$
	(Restated)	
Beginning of financial year	7,650,249	25,030,755
Net loss	(31,546,024)	(16,275,006)
Dividends paid (Note 27)	-	(1,105,500)
End of financial year	(23,895,775)	7,650,249

27 Dividend

	Group and Company	
	2014	2013
	$	$
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of Nil (2013: 0.3 cents) per share	-	1,105,500

28 Related party transactions

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

(a) Sales and purchases of goods and services

	Group and Company	
	2014	2013
	$	$
Consultation fee paid to director	54,000	95,000

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

28 Related party transactions (Cont'd)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group and Company 2014 $	2013 $
Wages and salaries	1,163,681	1,215,050
Employer's contribution to defined contribution plans including Central Provident Fund	69,673	75,908
Directors fees	160,833	240,000
Other benefits	174,000	174,000
	1,568,187	1,704,958

Included in the above is total compensation to directors of the Group amounting to $1,062,333 (2013: $1,141,500).

29 Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group and Company 2014 $	2013 $
Property, plant and equipment	2,945,656	2,479,846
Investment property under construction	36,374,979	-
	39,320,635	2,479,846

(b) Operating lease commitments

The Group leases dormitory for workers under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

29 Commitments (Cont'd)

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the statement of financial position date but not recognised as liabilities, are analysed as follows:

	Group and Company	
	2014	**2013**
	$	**$**
Not later than one year	17,573,240	737,570
Between one and five years	20,410,425	109,100
	37,983,665	846,670

30 Financial risk management

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Management will set policies consistent with the principles laid down by the Board, which will cover authority levels, oversight responsibilities, risk identification, management and measurement.

(a) Market risk

(i) *Currency risk*

The Company operates mainly in Singapore and most of its transactions are denominated in Singapore Dollar (the functional currency).

Foreign currency risk arising from transactions which are denominated in currencies other than the functional currency, relate mainly to the importation of machinery and spares. The Group manages currency risks, when it is considered significant, by entering into appropriate currency forward contracts. At the balance sheet date, the Group has not entered into any currency forward contracts.

30 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) *Currency risk (Cont'd)*

The Group's currency exposures were as follows:

	SGD $	USD $	HKD $	EUR $	Total $
30 June 2014 (Restated)					
Financial Assets					
Cash and cash equivalents and available-for-sale financial assets	932,174	89,234	80,327	-	1,101,735
Trade and other receivables	19,941,147	-	-	-	19,941,147
Receivable from inter-companies	782,389	-	-	-	782,389
	21,655,710	89,234	80,327	-	21,825,271
Financial Liabilities					
Trade and other payables	25,783,894	-	850	20,023	25,804,767
Borrowings	15,935,506	-	-	-	15,935,506
Payables to inter-companies	782,389	-	-	-	782,389
	42,501,789	-	850	20,023	42,522,662
Net financial (liabilities)/assets	(20,846,079)	89,234	79,477	(20,023)	(20,697,391)
Add: Net non-financial assets	25,679,083	-	-	-	25,679,083
Net assets/(liabilities)	4,833,004	89,234	79,477	(20,023)	4,981,692
Currency profile including non-financial assets/(liabilities)	4,833,004	-	(850)	-	4,832,154
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities functional currencies	-	89,234	80,327	(20,023)	149,538

30 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) *Currency risk* (Cont'd)

The Group's currency exposures were as follows: (Cont'd)

	SGD $	USD $	HKD $	EUR $	Total $
30 June 2013					
Financial Assets					
Cash and cash equivalents and available-for-sale financial assets	14,221,095	90,512	53,465	-	14,365,072
Trade and other receivables	28,294,583	-	-	-	28,294,583
Receivable from inter-company	450,977	-	-	-	450,977
	42,966,655	90,512	53,465	-	43,110,632
Financial Liabilities					
Trade and other payables	13,978,929	22,932	850	40,460	14,043,171
Borrowings	7,357,586	-	-	-	7,357,586
Payables to inter-company	450,977	-	-	-	450,977
	21,787,492	22,932	850	40,460	21,851,734
Net financial assets/(liabilities)	21,179,163	67,580	52,615	(40,460)	21,258,898
Add: Net non-financial assets	15,326,526	-	-	-	15,326,526
Net assets/(liabilities)	36,505,689	67,580	52,615	(40,460)	36,585,424
Currency profile including non-financial assets and liabilities	36,505,689	-	(850)	-	36,504,839
Currency exposure of financial assets / (liabilities) net of those denominated in the respective entities functional currencies	-	67,580	53,465	(40,460)	80,585

30 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) *Currency risk* (Cont'd)

The Company's currency exposures are as follows:

	SGD $	USD $	HKD $	EUR $	Total $
30 June 2014 (Restated)					
Financial Assets					
Cash and cash equivalents and available-for-sale financial assets	893,531	89,234	80,327	-	1,063,092
Trade and other receivables	19,947,914	-	-	-	19,947,914
	20,841,445	89,234	80,327	-	21,011,006
Financial Liabilities					
Trade and other payables	26,556,616	-	-	20,023	26,576,639
Borrowings	15,935,506	-	-	-	15,935,506
	42,492,122	-	-	20,023	42,512,145
Net financial (liabilities)/assets	(21,650,677)	89,234	80,327	(20,023)	(21,501,139)
Add: Net non-financial assets	26,347,195	-	-	-	26,347,195
Net assets/(liabilities)	4,696,518	89,234	80,327	(20,023)	4,846,056
Currency profile including non-financial assets	4,696,518	-	-	-	4,696,518
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities functional currencies	-	89,234	80,327	(20,023)	149,538

30 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) *Currency risk* (Cont'd)

	SGD $	USD $	HKD $	EUR $	Total $
30 June 2013					
Financial Assets					
Cash and cash equivalents and financial assets available-for-sale	13,847,128	90,512	53,465	-	13,991,105
Trade and other receivables	28,301,302	-	-	-	28,301,302
	42,148,430	90,512	53,465	-	42,292,407
Financial Liabilities					
Trade and other payables	14,420,651	22,932	-	40,460	14,484,043
Borrowings	7,357,586	-	-	-	7,357,586
	21,778,237	22,932	-	40,460	21,841,629
Net financial assets/(liabilities)	20,370,193	67,580	53,465	(40,460)	20,450,778
Add: Net non financial assets	15,925,832	-	-	-	15,925,832
Net assets/(liabilities)	36,296,025	67,580	53,465	(40,460)	36,376,610
Currency profile including non-financial assets	36,296,025	-	-	-	36,296,025
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities functional currencies	-	67,580	53,465	(40,460)	80,585

30 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(i) Currency risk (Cont'd)

If the USD and HKD change against the SGD by 1% (2013: 5%) and EUR change against the SGD by 6% (2013: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follow:

	Increase/(Decrease)	
	2014	**2013**
	Profit after tax	**Profit after tax**
	$	**$**
Group and Company		
USD against SGD		
- Strengthened	741	2,805
- Weakened	(741)	(2,805)
HKD against SGD		
- Strengthened	667	2,219
- Weakened	(667)	(2,219)
EUR against SGD		
- Strengthened	997	1,679
- Weakened	(997)	(1,679)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and Company's interest rate risk mainly arises from bank borrowings at variable interest rates. The Group and Company is exposed to significant interest rate risk on its variable-rate borrowings and manages its interest rate risk by keeping bank borrowings to the minimum required to sustain the operations of the Group and Company.

The Group's and Company's bank borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates had increased/decreased by 1% (2013: 1%) with all other variables including tax rates being held constant, the loss after tax for the year would have been higher/lower by $101,321 (2013: $32,329).

(iii) Price risks

The Group and the Company are exposed to equity securities price risks arising from investments held by the Group and the Company which are classified on the balance sheet as available-for-sale financial assets.

Further details of these equity investments can be found in Notes 15 to the financial statements.

30 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(iii) Price risks (Cont'd)

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

In respect of equity investments classified as available-for-sale financial assets, if equity prices had been 10% higher or lower, with all other variable including tax rate being held constant. The Group's and Company equity as at 30 June 2014 would increase/ decrease by $30,397 (2013: $29,113).

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. As the major customers of Group are government bodies, defaults risks for trade receivables are low. As for customers who are not government bodies, the Group has in place credit control policies.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the executive directors based on a credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the executive directors.

As the Group does not hold any collateral, the maximum exposure to credit risk for trade receivable is the carrying amount of that class of financial instruments presented on the balance sheet.

The trade receivables of the Group comprise of 2 debtors (2013: 1 debtor) that individually represented more than 20% of trade receivables.

The credit risk for trade receivables based on the information provided by key management is as follows:

	Group and Company	
	2014	2013
	$	$
By geographical areas		
Singapore	2,269,591	1,381,950
By types of customers		
Government bodies	2,034,627	1,226,289
Other companies	234,964	155,661
	2,269,591	1,381,950

30 Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks registered with the Monetary Authority Singapore. Trade receivables that are neither past due nor impaired are mainly government bodies with good payment record.

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

There is no other class of financial assets that is past due and/or impaired except for trade receivables and construction contracts amount due from customers.

Trade receivables

The age analysis of trade receivables past due but not impaired is as follows:

	Group and Company	
	2014	**2013**
	$	**$**
Past due < 3 months	548,015	642,061
Past due more than 3 months	21,087	160,036
	569,102	802,097

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment is as follows:

	Group and Company	
	2014	**2013**
	$	**$**
Past due more than 3 months	158,921	-
Less: Allowance for impairment	(158,921)	-
	-	-
Beginning of financial year	-	-
Allowance made (Note 7)	158,921	-
End of financial year (Note 13)	158,921	-

The impaired trade receivables arise due to the amounts have been overdue and management is of the opinion that the recoverability is low.

30 Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

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

Construction contracts due from customers

The carrying amount of the amount due from customers on construction contracts determined to be impaired and the movement in the related allowance for impairment is as follows:

	Group and Company	
	2014	**2013**
	$	**$**
Gross amount:		
Construction contracts amount due from customers	13,237,252	6,121,900
Less: Allowance for impairment (Note 13)	(5,888,765)	(2,341,106)
	7,348,487	3,780,794
Beginning of financial year	2,341,106	-
Allowance made (Note 7)	3,547,659	2,341,106
End of financial year	5,888,765	2,341,106

The impaired amount due from customers on construction contracts arise mainly from contracts completed in financial year ended 30 June 2014 and 2013, in which the Group anticipates the customer disputing the amount of variation works.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities (Note 21) to enable the Group to meet its normal operating commitments. As at balance sheet date, assets held by the Group and the Company for managing liquidity risks included cash and short-term deposits as disclosed in Note 12.

30 Financial risk management (Cont'd)

(c) Liquidity risk (Cont'd)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Group				
At 30 June 2014				
Trade and other payables	25,804,767	-	-	-
Borrowings	7,490,194	3,451,443	3,870,759	1,687,180
At 30 June 2013				
Trade and other payables	14,043,171	-	-	-
Borrowings	5,914,583	1,503,708	-	-
Company				
At 30 June 2014				
Trade and other payables	26,576,639	-	-	-
Borrowings	7,490,194	3,451,443	3,870,759	1,687,180
At 30 June 2013				
Trade and other payables	14,484,043	-	-	-
Borrowings	5,914,583	1,503,708	-	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company have externally imposed capital requirements for the financial years ended 30 June 2014 and 2013.

30 Financial risk management (Cont'd)

(e) Fair value measurement

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) input other than quoted prices included within Level 1 there are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market date (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
Group and Company				
2014				
Available-for-sale financial assets	366,234	-	-	366,234
2013				
Available-for-sale financial assets	350,764	-	-	350,764

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in level 1.

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

(f) Financial Instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 15 to the financial statements, except for the following:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Loans and receivables	20,676,648	42,984,034	20,644,772	42,616,786
Financial liabilities at amortised cost	41,740,273	21,400,757	42,512,145	21,841,629

31 Segment information

The management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's operating segments are its strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

(i) Civil Engineering – The business division of our Group that carries out civil engineering works which include road construction works, road maintenance works, sewerage rehabilitation (excluding tunnelling works), drains (excluding tunnelling works), soil improvement works and other infrastructure works.

(ii) Tunnelling – The business division of our Group that carries out micro-tunnelling works.

(iii) Dormitory – The business division of our Group that operates dormitories.

Management has determined the operating segments that are used to make strategic decisions. Currently, the business segments operate only in Singapore.

31 Segment information (Cont'd)

Primary reporting format – business segments:

	Civil Engineering $	Tunnelling $	Dormitory $	Common and all other segments $	Total $
30 June 2014 (Restated)					
Sales	19,938,469	11,430,654	-	-	31,369,123
Gross loss	(2,061,467)	(5,566,122)	-	-	(7,627,589)
Other gains/ (losses) - net	9,586	-	(11,637,458)	200,429	(11,427,443)
Distribution and marketing expenses	-	-	-	(448,334)	(448,334)
Administrative expenses	(2,612,706)	(934,953)	-	(8,425,767)	(11,973,426)
Finance expenses	-	-	-	(169,238)	(169,238)
Loss from operation	(4,664,587)	(6,501,075)	(11,637,458)	(8,842,910)	(31,646,030)
Share of loss of associated company	-	-	-	(66,806)	(66,806)
Loss before income tax	(4,664,587)	(6,501,075)	(11,637,458)	(8,909,716)	(31,712,836)
Income tax credit	-	-	-	93,682	93,682
Net loss	(4,664,587)	(6,501,075)	(11,637,458)	(8,816,034)	(31,619,154)
Net loss includes:					
- Depreciation of property, plant and equipment	698,497	931,365	-	715,414	2,345,276
- Impairment of property, plant and equipment	-	215,955	-	-	215,955
- Fair value loss recognised on investment property under construction	-	-	11,637,458	-	11,637,458
- Allowance for impairment of construction contracts amount due from customers	2,612,706	934,953	-	-	3,547,659
- Allowance for impairment of trade receivables	43,776	115,145	-	-	158,921
Segment assets	10,358,766	13,244,638	8,856,800	18,999,485	51,459,689
Total assets includes:					
Additions to:					
- Property, plant and equipment	-	-	-	7,350,486	7,350,486
- Investment property under construction	-	-	19,037,458	-	19,037,458
Segment liabilities	(16,931,382)	(6,466,414)	(14,126,451)	(8,953,750)	(46,477,997)

31 Segment information (Cont'd)

	Civil Engineering $	Tunnelling $	Common and all other segments $	Total $
30 June 2013 (Restated)				
Sales	16,885,792	11,079,842	-	27,965,634
Gross loss	(1,777,671)	(5,978,434)	-	(7,756,105)
Other gains - net	-	-	301,781	301,781
Distribution and marketing expenses	-	-	(82,734)	(82,734)
Administrative expenses	(1,685,596)	(655,510)	(7,548,268)	(9,889,374)
Finance expenses	-	-	(140,712)	(140,712)
Loss before tax	(3,463,267)	(6,633,944)	(7,469,933)	(17,567,144)
Income tax credit	-	-	1,284,122	1,284,122
Net loss	(3,463,267)	(6,633,944)	(6,185,811)	(16,283,022)
Net loss includes:				
- Depreciation of property, plant and equipment	567,470	931,365	928,799	2,427,634
- Allowance for impairment of construction contracts amount due from customers	1,685,596	655,510	-	2,341,106
Segment assets	16,558,228	9,024,327	33,999,001	59,581,556
Total assets includes:				
Additions to property, plant and equipment	-	-	4,407,423	4,407,423
Segment liabilities	10,352,230	3,498,975	9,144,927	22,996,132

The management assesses the performance of the operating segments based on gross profits. Selling and distribution expenses, general and administrative expenses and other income are not allocated to segments because they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

31 Segment information (Cont'd)

(a) Reconciliations

(i) Segment assets

For the purposes of monitoring segment performance and allocating resources between segments, the management monitors the inventories and receivables attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalents, trade and other receivables, deferred listing expenses, available-for-sale financial assets and property, plant and equipment.

	2014 $ (Restated)	2013 $
Segment assets for reportable segments	32,460,204	25,582,555
Unallocated:		
- Cash and cash equivalents	735,501	14,014,308
- Other receivables	2,153,933	3,016,904
- Income tax assets	-	324,379
- Available-for-sale financial assets	366,234	350,764
- Investment in associated company	133,194	-
- Property, plant and equipment	15,610,623	16,292,646
	51,459,689	59,581,556

(ii) Segment liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the management monitors the payables attributable to each segment. All liabilities are allocated to reported segments other than trade and other payables, income tax liabilities, deferred income tax liabilities and finance lease liabilities.

	2014 $	2013 $
Segment liabilities for reportable segments	37,524,247	13,851,205
Unallocated:		
- Other payables	4,165,727	1,787,341
- Borrowings	4,788,023	7,357,586
	46,477,997	22,996,132

31 Segment information (Cont'd)

(b) Information about major customers

Revenue from two major customers amounted to $23,993,791 (2013: a customer: $10,917,614), arising from sales of civil engineering and tunnelling segment.

	2014 $	2013 $
Civil engineering	13,612,210	5,278,440
Tunnelling	10,381,581	5,639,174
	23,993,791	10,917,614

32 Events occurring after balance sheet date

(a) Proposed issuance of rights and warrants

On 30 June 2014, the Group announced that the Group is proposing a renounceable non-underwritten rights issue of up to 1,474,000,000 new ordinary shares in the capital of the Company (the "Rights Shares") and up to 1,474,000,000 free detachable warrants (the "Warrants") (the "Rights cum Warrants Issue"), on the basis of four (4) Rights Shares and four (4) free detachable Warrants for every one (1) issued ordinary share (the "Shares") in the capital of the Company held by the shareholders (the "Shareholders"). The proposed issued price was S$0.01 for each Rights Share (the "Issue Price") and an exercise price of S$0.011 (the "Exercise Price") for each Warrant Share.

On 3 September 2014, Mr. Edward Lee Ewe Ming ("EL"), a shareholder of the Company, had on 3 September 2014 given an irrevocable undertaking to the Company (the "Undertaking"). EL has legal and/or beneficial ownership of an aggregate of 21,741,500 Shares ("EL Shares"), representing approximately 5.9% of the existing issued and paid-up share capital of the Company (the "Shares").

In accordance with the terms and conditions of the Rights cum Warrants Issue, EL will:

i. subscribe and pay in full for, or procure the subscription and payment in full of, his *pro rata* entitlement to the Rights Shares with Warrants under the Rights cum Warrants Issue in relation to the EL Shares; and
ii. make and pay for excess applications of Rights Shares with Warrants under the Rights cum Warrants Issue,

such that the aggregate subscription price in respect his subscriptions and excess applications is $7 million (the "Undertaking"). For the avoidance of doubt and notwithstanding the foregoing, he may, at his absolute discretion, make subscriptions and excess applications for Rights Shares with Warrants whereby the aggregate subscription price exceeds $7 million.

The obligations of EL are conditional upon, and subject to approvals from shareholders and relevant authorities.

32 Events occurring after balance sheet date (Cont'd)

(b) Restatement of financial statements

On 2 December 2016, the Board of Directors announced that, pursuant to Accounting and Corporate Regulatory Authority (ACRA)'s Financial Reporting Surveillance Programme ("FRSP"), ACRA had on 25 November 2016 issued to the Board of Directors an advisory letter on compliance with accounting standards (the "Advisory Letter"). The Advisory Letter was issued following a series of queries and responses between the Company and ACRA.

The Advisory Letter states that ACRA has issued a warning to Mr Ong Hock Leong and Mr Chee Tet Choy, Andy, who were signatories of the financial statements for the financial year ended 30 June 2014 ("FY2014") for a breach of Section 201(3A) of the Companies Act, Chapter 50 for an instance of severe non-compliance.

After considering the Company's responses, ACRA has concluded that the FY2014 financial statements do not comply with Paragraph 53 of FRS 40 *Investment Property*.

As disclosed in Note 2.8, the Group has adopted fair value model to its investment property. Paragraph 53 of FRS 40 *Investment Property* contains a general presumption that the fair value of an investment property can be reliably measured on a continuing basis. The Group has rebutted the general presumption and measured its investment property under construction at cost rather than fair value as at 30 June 2014.

ACRA has also identified the presentation of depreciation of plant and machinery as an area for improvement. As the plant and machinery were utilised for construction works, the Group should have presented the depreciation of plant and machinery as cost of works, instead of administrative expenses.

Pursuant to the Advisory Letter, ACRA has requested the Company to restate and re-file the re-audited financial statements for FY2014 and FY2015.

The effects of the restatement on the consolidated balance sheet of the Group and balance sheet of the Company as at 30 June 2014, the consolidated statement of comprehensive income and the consolidated statement of the cash flows of the Group for the financial year ended 30 June 2014 are summarised below.

	As per previously stated $	Adjustments $	As Restated $
Consolidated Statement of Comprehensive Income for the financial year ended 30 June 2013			
Cost of works	(34,220,904)	(1,500,835)	(35,721,739)
Administrative expenses	(11,390,209)	1,500,835	(9,889,374)

32 Events occurring after balance sheet date (Cont'd)

(b) Restatement of financial statements (Cont'd)

	As per previously stated $	Adjustments $	As Restated $
Consolidated Statement of Comprehensive Income for the financial year ended 30 June 2014			
Cost of works	(37,366,850)	(1,629,862)	(38,996,712)
Other gains – net	210,015	(11,637,458)	(11,427,443)
Administrative expenses	(13,603,288)	1,629,862	(11,973,426)
Net loss	(19,981,696)	(11,637,458)	(31,619,154)
Total comprehensive loss	(19,966,274)	(11,637,458)	(31,603,732)
Net loss attributable:			
Equity holders of the Company	(19,981,696)	(11,637,458)	(31,619,154)
Total comprehensive loss attributable to:			
Equity holders of the Company	(19,966,274)	(11,637,458)	(31,603,732)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Basic and diluted loss per share	(5.42)	(3.16)	(8.58)
Balance Sheets as at 30 June 2014			
Group			
Non-current assets			
Investment property under construction	19,037,458	(11,637,458)	7,400,000
Equity			
Accumulated losses	(12,122,498)	(11,637,458)	(23,759,956)
Company			
Non-current assets			
Investment property under construction	19,037,458	(11,637,458)	7,400,000
Equity			
Accumulated losses	(12,258,317)	(11,637,458)	(23,895,775)

32 Events occurring after balance sheet date (Cont'd)

(b) Restatement of financial statements (Cont'd)

	As per previously stated $	Adjustments $	As Restated $
Consolidated Statement of Cash Flows for the Financial year ended 30 June 2014			
Operating activities			
- Net loss	(19,981,696)	(11,637,458)	(31,619,154)
- Fair value loss on investment property under construction	-	11,637,458	11,637,458

33 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group and the Company's accounting periods beginning on or after 1 July 2014 or later periods and which the Group and the Company has not early adopted:

FRS No.	Title	Effective for annual periods beginning on or after
FRS 27 (revised 2011)	Separate Financial Statements	1 January 2014
FRS 28 (revised 2011)	Investments in Associates and Joint Venture	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangement	1 January 2014
FRS 112	Disclosure of Interest in Other Entities	1 January 2014
FRS 114	Regulatory Deferral Accounts	1 January 2016
FRS 19	Amendments to FRS 19 : Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 32	Amendments to FRS 32: Financial Instruments: Offsetting of Financial Liabilities and Assets	1 January 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
FRS 110, FRS 111, FRS 112, FRS 27(2011) and FRS 28(2011)	Amendments to FRS 110, FRS 111, FRS 112 and FRS 27(2011) and FRS 28(2011): Mandatory Effective Date	1 January 2014
FRS 110, FRS 111 and FRS 112	Amendments to FRS 110, FRS 111 and FRS 112: Transition Guidance	1 January 2014
FRS 110, FRS 112 and FRS 27	Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1 January 2014

33 New or revised accounting standards and interpretations (Cont'd)

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group and the Company's accounting periods beginning on or after 1 July 2014 or later periods and which the Group and the Company has not early adopted: (Cont'd)

FRS No.	Title	Effective for annual periods beginning on or after
FRS 102	Amendment to FRS 102 Share-based payment	1 July 2014
FRS 103	Amendment to FRS 103 Business Combinations	1 July 2014
FRS 108	Amendments to FRS 108 Operating Segments	*1 July 2014
FRS 16	Amendment to FRS 16 Property, Plant and Equipment	*1 July 2014
FRS 24	Amendment to FRS 24 Related Party Disclosures	*1 July 2014
FRS 38	Amendment to FRS 38 Intangible Assets	*1 July 2014
FRS 103	Amendment to FRS 103 Business Combinations	*1 July 2014
FRS 113	Amendments to FRS 113 Fair Value Measurement	*1 July 2014
FRS 40	Amendment to FRS 40 Investment Property	*1 July 2014

* An entity shall apply those amendments for annual periods beginning on or after 1 July 2014. Earlier application is permitted.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.