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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
**MERCATOR INTERNATIONAL PTE. LTD.**

( Incorporated in Singapore )

**Report on the financial statements**

We have audited the accompanying financial statements of Mercator International Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

*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 whether the financial statements are free from material misstatement.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
**MERCATOR INTERNATIONAL PTE. LTD.**

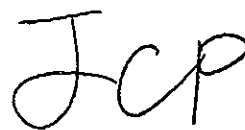
( Incorporated in Singapore )

*Opinion*

In our opinion, the financial statements 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 Company as at 31 March 2015 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

A handwritten signature in black ink, consisting of the letters 'JCP' in a cursive, stylized font.

Singapore, 28 MAY 2015

JAMES CHAN & PARTNERS LLP  
Public Accountants and Chartered Accountants  
Singapore

**MERCATOR INTERNATIONAL PTE. LTD.**

( Incorporated in Singapore )

**Statement of Financial Position as at 31 March 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		US\$	US\$
<b><u>SHARE CAPITAL</u></b>	4	60,000	60,000
<b><u>RETAINED EARNINGS</u></b>		66,795,917	43,134,669
<b><u>FAIR VALUE RESERVE</u></b>		(30,830)	(30,830)
Total equity		<u>66,825,087</u>	<u>43,163,839</u>
<b>REPRESENTED BY</b>			
Plant and equipment	5	13,182	14,983
Investment in subsidiaries	6	33,999,110	33,790,160
Other investments	7	19,025,531	23,924,273
		<u>53,037,823</u>	<u>57,729,416</u>
<b><u>CURRENT ASSETS</u></b>			
Trade receivables	8	40,703	188,288
Other receivables	9	4,499,132	3,712,687
Amounts due from subsidiaries	10	45,160,953	41,244,469
Amounts due from immediate holding company	11	4,528,018	229,844
Fixed deposit	12	-	375,000
Cash and cash equivalents	13	4,876,182	1,237,406
		<u>59,104,988</u>	<u>46,987,694</u>
<b><u>LESS CURRENT LIABILITIES</u></b>			
Trade payables	14	-	9,744
Other payables	15	246,795	222,804
Amounts due to immediate holding company	16	11,826,500	22,638,573
Amounts due to subsidiaries	17	17,911,377	19,051,790
Borrowings	18	-	4,625,650
Income tax payable		333,052	4,710
		<u>30,317,724</u>	<u>46,553,271</u>
Net current assets		28,787,264	434,423
<b><u>NON-CURRENT LIABILITY</u></b>			
Borrowings	18	(15,000,000)	(15,000,000)
Total net assets		<u>66,825,087</u>	<u>43,163,839</u>

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

**MERCATOR INTERNATIONAL PTE. LTD.**

( Incorporated in Singapore )

**Statement of Comprehensive Income for the financial year ended 31 March 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		US\$	US\$
Revenue	19	-	2,116,602
Cost of sales		(98,436)	(2,688,586)
Gross loss		(98,436)	(571,984)
Other incomes	20	34,273,936	12,895,072
Staff costs	21	(219,859)	(60,406)
Depreciation on plant and equipment	5	(1,801)	(633)
Administrative expenses		(7,262,643)	(220,774)
Profit from operations		26,691,197	12,041,275
Finance costs	22	(2,659,854)	(3,258,334)
Profit before taxation	23	24,031,343	8,782,941
Taxation	24	(370,095)	(158,450)
Profit for the year		23,661,248	8,624,491
<b>Other comprehensive income:</b>			
Fair value losses on available-for-sale financial assets		-	(30,830)
Total comprehensive income for the year		23,661,248	8,593,661

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

**MERCATOR INTERNATIONAL PTE. LTD.**

( Incorporated in Singapore )

**Statement of Changes in Equity for the financial year ended 31 March 2015**

	<u>Share capital</u>	<u>Retained earning</u>	<u>Fair value reserve</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
Balance as at 1 April 2013	60,000	34,510,178	-	34,570,178
Total comprehensive income for the financial year	-	8,624,491	(30,830)	8,593,661
Balance as at 31 March 2014	60,000	43,134,669	(30,830)	43,163,839
Total comprehensive income for the financial year	-	23,661,248	-	23,661,248
Balance as at 31 March 2015	60,000	66,795,917	(30,830)	66,825,087

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

**MERCATOR INTERNATIONAL PTE. LTD.**

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**Statement of Cash Flows for the financial year ended 31 March 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		US\$	US\$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Profit before tax for the financial year		24,031,343	8,782,941
Adjustments for:			
Depreciation on plant and equipment		1,801	633
Gain on disposal of investment in subsidiary		(20,710,000)	-
Gain on disposal of plant and equipment		-	(100,000)
Loss on disposal of available for sale financial assets		-	643
Impairment on available-for-sale financial assets		4,900,000	-
Impairment on other receivables		2,150,000	-
Dividend income		(4,560,000)	(10,080,000)
Interest expense		2,632,433	3,220,884
Interest income		(1,991,560)	(1,364,395)
Operating profit before working capital changes		6,454,017	460,706
<b><u>NET CHANGES IN WORKING CAPITAL</u></b>			
Decrease in trade receivables		147,585	265,636
Increase in other receivables		(2,936,446)	(815,510)
Decrease in trade payables		(9,744)	(2,731,711)
Increase in other payables		23,991	127,714
Changes in working capital		(2,774,614)	(3,153,871)
Net cash flows generated from/(used in) operating activities		3,679,403	(2,693,165)
Income tax paid		(41,753)	(168,700)
Net cash generated from/(used in) operating activities		3,637,650	(2,861,865)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Interest received		1,991,560	1,364,395
Dividend income		4,560,000	10,080,000
Withdrawal of fixed deposits pledged		375,000	-
Additions to investment in subsidiary		(398,950)	(2)
Proceeds from disposal of subsidiary		20,900,000	-
Additions to available-for-sale financial assets		(1,258)	-
Purchase of investment		-	(709)
Proceed from sales of plant and equipment		-	12,350,000
Purchases of plant and equipment		-	(12,264,018)
Net cash generated from investing activities		27,426,352	11,529,666

**MERCATOR INTERNATIONAL PTE. LTD.**

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**Statement of Cash Flows for the financial year ended 31 March 2015**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		US\$	US\$
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Increase)/decrease in amounts due from subsidiaries		(3,916,484)	2,204,302
(Increase)/decrease in amounts due from holding company		(4,298,173)	2,893,881
(Decrease)/increase in amounts due to subsidiaries		(1,140,413)	1,439,189
Decrease in amounts due to holding company		(10,812,073)	(1,841,021)
Repayment of bank borrowings		(4,625,650)	(9,332,400)
Interest paid		(2,632,433)	(3,220,884)
Net cash (used in)/generated from financing activities		<u>(27,425,226)</u>	<u>7,856,933</u>
Net increase in cash and cash equivalents		3,638,776	810,868
Cash and cash equivalents at beginning of the financial year		<u>1,237,406</u>	<u>426,538</u>
Cash and cash equivalents at end of the financial year	13	<u>4,876,182</u>	<u>1,237,406</u>

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 March 2015

The following notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is incorporated as a limited liability company and domiciled in Singapore with its registered office and principal place of business located at 8 Temasek Boulevard #07-02 Suntec City Tower 3, Singapore 038988.

The Company's immediate and ultimate holding company is Mercator Limited, a company incorporated and publicly listed in India.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding company and chartering of shipping vessels and provision of marine transport services.

The principal activities of the subsidiaries are disclosed in Note 6 of the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and the Singapore Financial Reporting Standards ("FRSs").

The financial statements expressed in United States Dollar are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(b) Adoption of FRSs and INT FRS

On 1 April 2014, the Company adopted the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of the new and revised FRSs and INT FRSs has no material effect on the financial statements.



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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(c) New Accounting Standards and FRS Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2015 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new FRS and INT FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

(d) Significant accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

▪ Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised.

▪ Judgement made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

*Classification of financial assets*

The Company classifies financial assets as held-to-maturity investments when it has a positive intention and ability to hold the investment to maturity. Management exercises judgement based on the Company's treasury objective and financial risk management policy to determine whether the financial assets are to be classified as held-to-maturity.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(e) Consolidated Financial Statements (Non-consolidated)

The financial statements of the subsidiaries have not been consolidated with the Company's financial statements as the Company itself is a wholly owned subsidiary of Mercator Limited, incorporated in India, which prepares consolidated financial statements on a worldwide basis. Such financial statements are publicly available.

The registered address of Mercator Limited is located at 3rd floor, Mittal Towers, B Wing, Nariman Point, Mumbai 400021.

(f) Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	3 years
Furniture and fittings	10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(g) Subsidiary Companies

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls an entity.

Investment in subsidiary is stated in the Company's financial statements at cost less any impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is taken to statement of comprehensive income.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(h) Financial Assets

**Initial recognition and measurement**

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provision of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When a financial asset is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

**Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships defined by FRS 39. Derivatives including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss.

(ii) *Held-to-maturity investment*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(h) Financial Assets - continued

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investment classified as available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in the fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment losses.

**De-recognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

**Regular way purchase or sale of a financial asset**

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(i) Trade and Other Receivables

Trade and other receivables including amount due from subsidiaries are initially recognised at fair value and subsequently re-measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of comprehensive income.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(k) Impairment of Financial Assets

Financial assets, other than fair value through profit and loss, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

(l) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets including plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(m) Financial Liabilities

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

When a financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) *Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, 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.

(o) Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

(p) Borrowings cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) 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.

(r) Leases

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(s) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(i) Freight income

Income of freight earnings is recognised when loading of the cargo is completed before the close of the financial year. All direct expenses of the voyage are recognised with the income. Where loading of the cargo is not completed, revenue is not recognised and the related expenses are carried to the next accounting year under loans and advances or prepaid expenses.

(ii) Charter income

Income from time charter is recognised over the period of the time charter agreement on an accrual basis.

(iii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iv) Dividend income

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

(t) Taxation

No provision is made for taxation on qualifying shipping income derived which is exempt from taxation under Section 13A of the Singapore Income Tax Act and the Singapore's Approved International Shipping Enterprise Tax Incentive.

Deferred tax is provided using the liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised.



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3. SIGNIFICANT ACCOUNTING POLICIES – continued

(u) Employee Benefits

Defined Contribution Plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(v) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in United States Dollar, which is also the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the statement of comprehensive income.

(w) Provisions

Provisions are recognised when the Company has a present obligation where as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(x) Related Party

Entities are considered as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity.

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**4. SHARE CAPITAL**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Issued and fully paid (no par value) 100,000 ordinary shares	<u>60,000</u>	<u>60,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares with no par value carry one vote per share without restriction.

**5. PLANT AND EQUIPMENT**

	<u>Furniture and fittings</u>	<u>Computers</u>	<u>Vessels</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
<u>Cost</u>				
Balance as at 1.4.2013	3,995	7,301	-	11,296
Additions	14,018	-	12,250,000	12,264,018
Disposal	-	-	(12,250,000)	(12,250,000)
Balance as at 31.3.2014 and 31.3.2015	<u>18,013</u>	<u>7,301</u>	<u>-</u>	<u>25,314</u>
<u>Accumulated depreciation</u>				
Balance as at 1.4.2013	2,397	7,301	-	9,698
Depreciation charged for the year	633	-	-	633
Balance as at 31.3.2014	3,030	7,301	-	10,331
Depreciation charged for the year	1,801	-	-	1,801
Balance as at 31.3.2015	<u>4,831</u>	<u>7,301</u>	<u>-</u>	<u>12,132</u>
<u>Carrying amounts</u>				
Balance as at 31.3.2014	<u>14,938</u>	<u>-</u>	<u>-</u>	<u>14,938</u>
Balance as at 31.3.2015	<u>13,182</u>	<u>-</u>	<u>-</u>	<u>13,182</u>

**6. INVESTMENT IN SUBSIDIARIES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
At cost:		
Quoted and unquoted investments	<u>33,999,110</u>	<u>33,790,160</u>

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**6. INVESTMENT IN SUBSIDIARIES - continued**

Details of the subsidiaries are as follows:

Name of subsidiary company	Principal activities	Country of Incorporation	Percentage of shareholdings		Cost of investment	
			<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
			%	%	US\$	US\$
Quoted equity investment:						
* Mercator Lines (Singapore) Limited	Charterers of shipping vessels and provision of marine transportation services	Singapore	66.17	66.17	30,600,000	30,600,000
Unquoted equity investment:						
*Oorja Holdings Pte Ltd	Investment holding	Singapore	100	100	1	1
*Mercator Offshore Holdings Pte Ltd	Investment holding	Singapore	99.99	99.99	3,000,157	3,000,157
*Mercator Offshore (P) Pte Ltd	Providing services incidental to oil and gas extraction	Singapore	-	95	-	190,000
* Mercator Energy Pte. Ltd.	Providing services incidental to offshore production assets and oil and gas extraction	Singapore	78	100	398,952	2
					<u>33,999,110</u>	<u>33,790,160</u>

\* Audited by other public accountants

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**7. OTHER INVESTMENTS**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<u>Held-to-maturity investment:</u>		
7% convertible bonds – quoted, at cost	19,000,000	19,000,000
<u>Available-for-sale financial assets:</u>		
<i>Unquoted equity shares, at cost</i>		
Balance at beginning of the financial year	4,900,000	4,900,000
Allowance for impairment	(4,900,000)	-
Balance at end of the financial year	<u>-</u>	<u>4,900,000</u>
<i>Unquoted equity shares, at fair value</i>		
Balance at beginning of the financial year	24,273	55,037
Addition	1,258	709
Disposal	-	(643)
Fair value loss	-	(30,830)
Balance at end of the financial year	<u>25,531</u>	<u>24,273</u>
	<u>19,025,531</u>	<u>23,924,273</u>

The Company had subscribed a 7% convertible issued by its subsidiary, Mercator Lines (Singapore) Limited. The bond, if not converted, is redeemable on 26 July 2017. It is secured over the subsidiary's vessel, a general assignment of the earning and insurances of the vessel and an account charge.

The investment in unquoted equity securities is stated at cost less impairment loss, if any as the unquoted investments do not have quoted market prices in an active market nor are there other methods readily available which can be reasonably estimate their fair value. Hence it is not practicable to determine their fair value with sufficient reliability without incurring excessive costs.

**8. TRADE RECEIVABLES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Third parties	-	150,000
Advanced payment to suppliers	40,703	38,288
	<u>40,703</u>	<u>188,288</u>

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represents their fair values on initial recognition.

Trade receivables are denominated in the following currencies:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
India Rupee	-	31,095
United States Dollar	40,703	157,193
	<u>40,703</u>	<u>188,288</u>

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**9. OTHER RECEIVABLES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Non-trade receivables	6,636,906	3,650,650
Less: Allowance for impairment	(2,150,000)	-
	<u>4,486,906</u>	<u>3,650,650</u>
Deposits	10,765	11,751
Interest receivables	-	49,574
Prepayments	1,461	712
	<u>4,499,132</u>	<u>3,712,687</u>

Other receivables are denominated in the following currencies:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Singapore Dollar	10,765	11,751
United States Dollar	4,488,367	3,700,936
	<u>4,499,132</u>	<u>3,712,687</u>

**10. AMOUNTS DUE FROM SUBSIDIARIES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Interest bearing at 4% per annum	35,050,040	35,865,130
Interest bearing at 5% per annum	2,500,000	-
Interest free	7,610,913	5,379,339
	<u>45,160,953</u>	<u>41,244,469</u>

The amounts due from subsidiaries are non-trade related, unsecured and repayable on demand.

**11. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY**

The amounts due from immediate holding company are non-trade related, unsecured, interest-free and repayable on demand.

**12. FIXED DEPOSIT**

The fixed deposit in year 2013 was placed for a period of 5 years and bear interest of 3.7% per annum.

The fixed deposit was fully withdrawn on 6 February 2015.

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**13. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are denominated in the following currencies:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
United States Dollar	4,848,805	1,158,220
Singapore Dollar	23,127	73,754
Euro	4,250	5,432
	<u>4,876,182</u>	<u>1,237,406</u>

**14. TRADE PAYABLES**

Trade payables were denominated in the following currencies:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Singapore Dollar	-	1,255
United States Dollar	-	8,489
	<u>-</u>	<u>9,744</u>

**15. OTHER PAYABLES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Accruals	183,791	222,804
Other payables	63,004	-
	<u>246,795</u>	<u>222,804</u>

Other payables are denominated in the following currencies:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Singapore Dollar	66,754	14,066
United States Dollar	180,041	208,738
	<u>246,795</u>	<u>222,804</u>

**16. AMOUNTS DUE TO IMMEDIATE HOLDING COMPANY**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Interest bearing at 4% per annum	11,826,500	2,572,073
Interest free	-	20,066,500
	<u>11,826,500</u>	<u>22,638,573</u>

The amounts due to immediate holding company are non-trade in nature, unsecured and repayable on demand.

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**17. AMOUNTS DUE TO SUBSIDIARIES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Interest bearing at 4% per annum	16,838,831	18,838,831
Interest free	1,072,546	212,959
	<u>17,911,377</u>	<u>19,051,790</u>

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

**18. BORROWING**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Current (secured)	-	4,625,650
Non-current (secured)	15,000,000	15,000,000
	<u>15,000,000</u>	<u>19,625,650</u>

The loan of US\$4,625,650 was secured by the share pledge agreement of the Company over 252.5 million shares in its subsidiary, Mercator Lines (Singapore) Limited. The shares were no longer in pledge followed by the borrowing was fully repaid in September 2014. The borrowing bears interest rate of 4.4851% per annum.

The loan of US\$15,000,000 was obtained to part finance the subscription of US\$19,000,000 Bonds issued by its subsidiary, Mercator Lines (Singapore) Limited. The loan is repayable in a bullet payment at the end of 5 years from the initial drawn down. The interest rate is at LIBOR + Margin of 6% per annum. The loan is secured by first pari passu charge on specific vessel of Mercator Lines (Singapore) Limited and escrow of receivables of vessels charged and letter of comfort from its immediate holding company, Mercator Limited, India.

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**19. REVENUE**

Revenue represented income derived from:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Charter hire income	-	2,003,259
Demurrage account	-	113,343
	<u>-</u>	<u>2,116,602</u>

**20. OTHER OPERATING INCOME**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Dividend income	4,560,000	10,080,000
Interest from fixed deposit	-	17,636
Interest on amount due from subsidiaries	1,991,560	1,364,395
Interest on MLS bond	1,330,000	1,330,000
Freight forward agreement profit	5,681,084	-
Gain on disposal of plant and equipment	-	100,000
Gain on disposal of a subsidiary	20,710,000	-
Others	1,292	3,041
	<u>34,273,936</u>	<u>12,895,072</u>

**21. STAFF COSTS**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Salaries and bonus	210,311	54,656
CPF contribution	5,433	3,439
Staff welfare	4,115	2,311
	<u>219,859</u>	<u>60,406</u>

**22. FINANCE COSTS**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Interest on amounts due to subsidiaries	2,628,146	3,220,884
Borrowing cost	31,708	37,450
	<u>2,659,854</u>	<u>3,258,334</u>



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**23. PROFIT BEFORE TAXATION**

This is stated after charging the following items which have not been otherwise disclosed in the statement of comprehensive income:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Bad debts written off	-	50,333
Foreign exchange loss	845	23,339
Impairment loss on available-for-sale financial assets (Note 7)	4,900,000	-
Impairment loss on other receivables (Note 9)	2,150,000	-
Professional fee	40,983	83,536
Rental	69,164	18,084
	<u>69,164</u>	<u>18,084</u>

**24. TAXATION**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Provision for current taxation	333,052	-
Under provision in prior year	37,043	158,450
	<u>370,095</u>	<u>158,450</u>

## Reconciliation of tax:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Profit before taxation	<u>24,031,343</u>	<u>8,782,941</u>
Taxation at statutory rate of 17%	4,085,328	1,493,100
Tax effects of:		
Income not subject to tax	(5,261,904)	(2,090,939)
Non-deductible expenses	1,552,884	-
Expenses deductible for tax purposes	-	(560,788)
Statutory stepped income exemption	(20,052)	-
Deferred tax assets not recognised	-	1,158,627
Corporate income tax rebate	(23,204)	-
Under provision in prior year	37,043	158,450
	<u>370,095</u>	<u>158,450</u>

**25. RELATED PARTY DISCLOSURES**

Significant transactions with related parties, not otherwise disclosed in the financial statements are as follows:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
(a) <u>With immediate holding company</u>		
Demurrage account	-	(113,343)
Sales of vessel	-	(12,350,000)
Interest expense	615,743	849,747
	<u>615,743</u>	<u>849,747</u>

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**25. RELATED PARTY DISCLOSURES -- continued**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<b>(b) <u>With subsidiary companies</u></b>		
Interest income	(1,990,770)	(1,364,395)
Interest income on bonds	(1,330,000)	(1,330,000)
Dividend income	(4,560,000)	(10,080,000)
Interest expenses	859,587	860,277

Related party transactions were based on terms agreed by both parties.

**26. FINANCIAL GUARANTEES**

The Company has provided corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries amounting to US\$134,236,310 (2014: US\$95,491,160).

**27. CONTINGENT LIABILITIES**

In respect of the Compensation shares of our subsidiary, Mercator Lines Singapore Ltd, given to the owners of the chartered in vessels on entering into early termination agreements in 2013, Put Options have been granted by the Company.

The put options require the Company to purchase the shares at a price equivalent to 50% of the closing price for the shares on the market day preceding the date on which the shares are transferred to the owners. The options can be exercised within 90 days after the 4th anniversary of the date on which the shares were transferred. If the put option is exercised, the resultant outflow in the 4th year would be USD 5,691,855.

**28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The following table summarises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting period:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<b><u>Financial Assets</u></b>		
<i>Available-for-sale financial assets</i>		
Other investments	25,531	4,924,273
<i>Held-to-maturity investment</i>		
Other investment	19,000,000	19,000,000
<i>Loans and receivables</i>		
Trade receivables	40,703	150,000
Other receivables	4,497,671	3,711,975
Amounts due from subsidiaries	45,160,953	41,244,469
Amounts due from immediate holding company	4,528,018	229,844
Fixed deposit	-	375,000
Cash and cash equivalents	4,876,182	1,237,406
	<u>59,103,527</u>	<u>46,948,694</u>

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**28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES - continued**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<b><u>Financial Liabilities</u></b>		
<i>At amortised costs</i>		
Trade payables	-	9,744
Other payables	246,795	222,804
Amounts due to immediate holding company	11,826,500	22,638,573
Amounts due to subsidiaries	17,911,377	19,051,790
Borrowings	15,000,000	19,625,650
	<u>44,984,672</u>	<u>61,548,561</u>

**29. FINANCIAL RISK MANAGEMENT****(a) Financial Risk Management Policies**

The main risks arising from the Company's financial statements are credit risk, foreign currency risk, interest rate risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

**(i) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs on going credit evaluation of its counterparties' financial condition and generally do not require collateral.

The Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for amount due from subsidiaries as disclosed in Note 10.

The Company's major classes of financial assets are bank deposits, trade and other receivables and amount due from subsidiaries.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

**(ii) Foreign currency risk**

The Company's operational activities are mainly carried out in United States Dollar, the measurement and reporting currency of the Company. The risk arising from movements in foreign exchange rates is minimised as the Company has minimal transactions in foreign currency. Accordingly, no sensitivity analysis is performed.

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29. FINANCIAL RISK MANAGEMENT – continued

(a) Financial Risk Management Policies - continued

(iii) Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to bank fixed deposits and bank borrowing as shown in Notes 12 and 18 to the financial statements.

The Company's results are affected by changes in interest rates due to the impact of such changes on interest income and expenses from bank fixed deposits and bank borrowing which are at floating interest rates. It is the Company's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Company.

If the United States Dollar interest rates increase/decrease by 0.5% with all other variables including tax rate being held constant, the profit after income tax will be lower/higher by approximately US\$75,000 (2014: US\$96,253) as a result of higher/lower interest income on fixed deposits and interest expense on bank borrowings.

(iv) Liquidity risk

Liquidity risk refers to the risk in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Company actively manages its operating cash flows so as to finance the Company's operations. As part of its overall prudent liquidity management, the Company minimises liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions and maintains sufficient levels of cash and cash equivalents to meet its working capital requirement.

The maturity profile of the Company's financial liabilities at the end of the reporting period, based on contractual undiscounted payments is within one year except for a secured borrowing.

(b) Capital Management

The primary objective of the Company's capital management is to ensure that it has sufficient capital in order to support its business and to generate sufficient returns to its shareholders. With the current market turmoil, management has decided to be prudent and to conduct a level of business which will not expose the Company to excessive risk.

The Company's overall strategy remains unchanged from 2014 and it is not subject to any externally imposed capital requirements.

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**29. FINANCIAL RISK MANAGEMENT – continued****(c) Fair Values**

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

*Fair value hierarchy*

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**(1) *Fair value of financial instruments that are carried at fair value***

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	<i>Quoted prices in active markets for identical measurement (Level 1)</i>	<i>Significant other observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
	US\$	US\$	US\$
Financial assets:			
<i>Held-to-maturity</i>			
- 7% convertible bond (quoted)	19,000,000	-	-
<i>Available-for-sale financial assets</i>			
- Equity shares (unquoted)	-	-	25,531
	19,000,000	-	25,531

**(2) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.***

The carrying amount of trade and other receivables, amounts due from immediate holding company, amounts due from subsidiaries, cash and cash equivalents, trade and other payables amounts due to immediate holding company and subsidiaries approximate to the fair values due to their short term nature.

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29. FINANCIAL RISK MANAGEMENT – continued

(c) Fair Values - continued

- (3) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

Fair value information has not been disclosed for the investments in equity instruments that are carried at cost because fair value cannot be measured reliably. It is not practicable to estimate the fair value of unquoted equity securities, due to the absence of quoted market prices, without incurring excessive costs.

However, the Company does not anticipated that the carrying amounts recorded at the end of the reporting period would be significantly different form the values that would eventually be received or settled.

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial year ended 31 March 2015 were authorised for issue in accordance with a director's resolution dated 28 May 2015.

*THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS*

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Detailed Income Statement for the financial year ended 31 March 2015

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<b><u>Revenue</u></b>		
Charter hire income	-	2,003,259
Demurrage account	-	113,343
	-	<u>2,116,602</u>
<b><u>Less: Direct operating expenses</u></b>		
Bunker purchase	-	(236,290)
C.V.E	-	11,860
Insurance (ship)	-	26,650
ILHOC – Hold cleaning	-	14,200
Port expenses	97,429	53,122
Survey expenses	1,007	-
Vessel hire expenses	-	2,819,044
	<u>98,436</u>	<u>2,688,586</u>
Gross loss	(98,436)	(571,984)
Add: Other incomes		
Dividend income	4,560,000	10,080,000
Freight forward agreement profit	5,681,084	-
Interest from fixed deposit	-	17,636
Interest on amount due from subsidiaries	1,991,560	1,364,395
Interest on MLS bond	1,330,000	1,330,000
Gain on disposal of plant and equipment	-	100,000
Gain on disposal of a subsidiary	20,710,000	-
Others	1,292	3,041
	<u>34,273,936</u>	<u>12,895,072</u>



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Detailed Income Statement for the financial year ended 31 March 2015

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<b><u>Administrative expenses</u></b>		
Auditors' remuneration – current year	11,274	26,276
– underprovision in prior year	24,332	-
Bank charges	3,410	8,747
Bad debts written off	-	50,333
Communication expenses	1,145	1,272
Computer maintenance expenses	14,399	-
Consultancy fee	22,392	-
Conveyance	175	115
CPF contribution	5,433	3,439
Depreciation on plant and equipment	1,801	633
Entertainment	117	295
Foreign exchange loss	845	23,339
General expenses	3,654	4,077
Impairment loss on available-for-sale financial assets	4,900,000	-
Impairment loss on other receivables	2,150,000	-
Insurance	56	-
Loss on disposal of investment	-	643
Printing and stationery	108	-
Penalty charges	3,824	-
Professional fees	40,983	83,536
Retainer fee	-	337
Rental	69,164	18,084
Salaries and bonus	210,311	54,656
Staff welfare	4,115	2,311
Travelling expenses	16,765	3,720
	7,484,303	281,813
<b><u>Less: Finance costs</u></b>		
Interest on amounts due to subsidiaries	2,628,146	3,220,884
Borrowing costs	31,708	37,450
	2,659,854	3,258,334
Profit before taxation	24,031,343	8,782,941
Taxation	(370,095)	(158,450)
Profit for the year	23,661,248	8,624,491