OORJA 1 PTE. LTD.
(UEN: 200712154R)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2018

DT/YL

OORJA 1 PTE. LTD.
(UEN: 200712154R)

DIRECTOR'S STATEMENT

The director is pleased to present his statement to the member together with the audited financial statements of Oorja 1 Pte. Ltd. (the "company") for the financial year ended 31 March 2018.

1. OPINION OF THE DIRECTOR

In my opinion,

i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the company for the year ended on that date; and

ii) at the date of this statement with the continued financial support from the ultimate holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTOR

The director of the company in office at the date of this statement is:-

SHALABH MITTAL

3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

4. DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES

According to the register of director's shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, the director who held office at the end of the financial year had interest in the shares or debentures of the company and related corporations as follows:-

	Share registered in the name of director	
	Number of ordinary shares	
Company in which interests is held	At 01.04.2017	At 31.03.2018
Ultimate holding company:- Mercator Limited		
Shalabh Mittal	361,250	361,250

5. SHARE OPTIONS

(a) *Option to take up unissued shares*

During the financial year, no option to take up unissued shares of the company was granted.

(b) *Option exercised*

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the company under option.

6. AUDITOR

The auditor, Kreston David Yeung PAC, has expressed its willingness to accept re-appointment.

By the Board,

SHALABH MITTAL
Director
20 JUL 2018

KRESTON
DAVID YEUNG PAC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF OORJA 1 PTE. LTD. (UEN: 200712154R)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Oorja 1 Pte. Ltd. (the "company"), which comprise the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 to 21.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Deposit

The deposit represents 99.6% of the company's total assets as at end of financial year. As stated in Note 5 to the financial statements, the deposit was paid to acquire 70% equity interest in company which owns coal mining concession. We were unable to obtain sufficient appropriate audit evidence on the existence and recoverability of investment, and as such, whether any adjustment to this amount is necessary.

Other Matter

In the previous financial year ended 31 March 2017, the auditor expressed qualified opinion on deposit on 30 June 2017.

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF OORJA 1 PTE. LTD. (UEN: 200712154R) (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matter referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether 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.

Kreston David Yeung Pac.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 20 July 2018

OORJA 1 PTE. LTD.
(UEN: 200712154R)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	Note	2018 US$	2017 US$
ASSETS			
Non-current assets			
Investment in subsidiaries	3	-	-
Investment in related company	4	-	-
Deposit	5	1,680,931	1,680,931
Total non-current assets		1,680,931	1,680,931
Current asset			
Cash and cash equivalents	6	5,914	1,779
Total assets		1,686,845	1,682,710
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	7	1	1
Accumulated profit/(losses)		1,683,431	(10,448,573)
Total equity		1,683,432	(10,448,572)
Non-current liability			
Amount due to immediate holding company	8	-	12,128,738
Current liability			
Other payables	9	3,413	2,544
Total liabilities		3,413	12,131,282
Total equity and liabilities		1,686,845	1,682,710

The notes set out on pages 9 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

OORJA 1 PTE. LTD.
(UEN: 200712154R)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2018

	Note	2018 US$	2017 US$
Other revenue			
Waiver of amount due to immediate holding company		12,136,696	-
Less: Cost and expenses			
Impairment loss on investment in subsidiaries and related company	3	-	5,340,002
Administrative expenses		4,692	4,363
Finance cost	10	-	130,815
		(4,692)	(5,475,180)
Profit/(Loss) before taxation		12,132,004	(5,475,180)
Less: Taxation	11	-	-
Net profit/(loss) and total comprehensive income for the year		12,132,004	(5,475,180)

The notes set out on pages 9 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

OORJA 1 PTE. LTD.
(UEN: 200712154R)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2018

	Share Capital US$	Accumulated Profit/(Losses) US$	Total US$
Balance as at 01.04.2016	1	(4,973,393)	(4,973,392)
Total comprehensive income for the year	-	(5,475,180)	(5,475,180)
Balance as at 31.03.2017/01.04.2017	1	(10,448,573)	(10,448,572)
Total comprehensive income for the year	-	12,132,004	12,132,004
Balance as at 31.03.2018	1	1,683,431	1,683,432

The notes set out on pages 9 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

OORJA 1 PTE. LTD.
(UEN: 200712154R)

STATEMENT OF CASH FLOWS
For the year ended 31 March 2018

	Note	2018 US$	2017 US$
Cash flows from operating activities			
Profit/(Loss) before taxation		12,132,004	(5,475,180)
Adjustments for:-			
Interest expense		-	130,815
Impairment loss on investment in subsidiaries and related company		-	5,340,002
Waiver of amount due to immediate holding company		(12,136,696)	
Operating cash flows before changes in working capital		(4,692)	(4,363)
Changes in working capital:-			
Increase/(Decrease) in other payables		869	(1,745)
Net cash used in operating activities		(3,823)	(6,108)
Cash flows from investing activities			
Acquisition of investment in subsidiaries		-	(2,740,002)
Deposit paid		-	(89,040)
Net cash used in investing activities		-	(2,829,042)
Cash flows from financing activity			
Advance from immediate holding company		7,958	2,834,130
Net cash generated from financing activity		7,958	2,834,130
Net increase/(decrease) in cash and cash equivalents		4,135	(1,020)
Cash and cash equivalents at beginning of year		1,779	2,799
Cash and cash equivalents at end of year	6	5,914	1,779

The notes set out on pages 9 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

The company is incorporated in the Republic of Singapore with its registered office and principal place of business at 60 Paya Lebar Road, #13-05D Paya Lebar Square, Singapore 409051.

The company is a wholly-owned subsidiary of Oorja Holdings Pte. Ltd., incorporated in the Republic of Singapore. The company's ultimate holding company is Mercator Limited, incorporated in India.

The principal activities of the company are that of investment holding. The company's financial statements have been prepared on going concern basis as the ultimate holding company has undertaken to provide financial support to the company as and when required.

The principal activities of the subsidiaries are disclosed in Note 3 to the financial statements.

The financial statements of the company for the year ended 31 March 2018 were authorised for issue by the director on 20 July 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards ("FRS").

In the current financial year, the company adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Key sources of estimation uncertainty

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

Investment in subsidiaries

In the past, management has carried out a review of the recoverable amount of the investments in subsidiaries (Note 3), having regard to the depleting coal reserves of the entities which the subsidiary has equity stake in.

Since the financial year ended 2016 , no fair value calculation was performed as the activities of the subsidiaries and related company have been suspended due to not economically viable to operate in that business environment. The investment in subsidiaries has been fully impaired at end of previous reporting period.

c) Basis of Consolidation

Consolidated financial statements have not been prepared as the company's ultimate holding company, Mercator Limited, prepares publicly available consolidated financial statements which include the financial statements of the company and its subsidiaries. The details of the subsidiaries of the company are disclosed in Note 3.

The registered address of the ultimate holding company is 3rd floor, Mittal Tower, B-Wing Nariman Point, Mumbai 400021, India.

d) Investment in Subsidiaries

A subsidiary is an entity controlled by the company. Control is achieved when the company:-

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Instrument

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

i) Financial Assets

Loans and receivables

Financial assets that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". These are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 estimates 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 amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Financial Instrument** (Continued)

i) **Financial Assets** (Continued)

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 entirely, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

ii) **Financial Liabilities and Equity Instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other payables and amount due to immediate holding company are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expired.

iii) **Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

g) Borrowing Costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

h) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settled the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

A present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent liabilities and assets are not recognised on the statement of financial position of the company.

j) Income Taxes

Income tax on the profit or loss for the period comprises current and deferred income taxes. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case it is recognised in equity or other comprehensive income.

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

Deferred tax is provided using the liability method for temporary differences at end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Foreign Currency Transactions and Translations

The financial statements of the company are measured and presented in United States dollars (USD), the currency of the primary economic environment in which the company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

The monetary asset and liability balances are denominated in USD, unless otherwise stated.

l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances that are subject to an insignificant risk of changes in value.

m) Key Management Personnel

Key management personnel of the company are those having authority and responsibility for planning, directing and controlling the activities of the company. The director of the company is considered as key management personnel.

3. INVESTMENT IN SUBSIDIARIES

	2018 US$	2017 US$
Unquoted shares - at cost	9,374,618	9,374,618
Less: Allowance for impairment loss	(9,374,618)	(9,374,618)
	-	-
Movement in allowance		
Balance at beginning of the year	9,374,618	4,004,116
Reclasssified from investment in related company (Note 4)	-	30,500
Addition during the year	-	5,340,002
Balance at end of the year	9,374,618	9,374,618

3. INVESTMENT IN SUBSIDIARIES (Continued)

Name of company	Place of operation/ incorporation	Principal activities	Precentage of ownership interest/ voting power held by the Company 2018 %	2017 %
PT. Oorja Indo Petangis Three	Indonesia	Services for general mining and export	99.8	99.8
PT. Oorja Indo Petangis Four	Indonesia	Services for general mining and export	99.8	99.8
PT. Oorja Indo KGS	Indonesia	Services for general mining and export	95.7	95.7

PT. Oorja Indo Petangis Three holds 50% equity stake in one (2017: two) coal mining companies in Indonesia and 99.8% in the equity of another company (has filed liquidation during the financial year) which rents equipment to the mining companies.

PT. Oorja Indo Petangis Four holds 50% equity stake in one (2017: two) coal mining companies in Indonesia and 0.2% in the equity of another company (has filed liquidation during the financial year) which rents equipment to the mining companies.

4. INVESTMENT IN RELATED COMPANY

	2018 US$	2017 US$
Unquoted shares - at cost	-	-
Less: Allowance for impairment loss	-	-
	-	-
Movement in allowance		
Balance at beginning of the year	-	30,500
Reclasssified to investment in subsidiaries (Note 3)	-	(30,500)
Balance at end of the year	-	-

As a result of internal restructuring in financial year 2017, the company acquired 99.8% equity interest in the related company. The investment was reclassified as subsidiary company in that financial year (Note 3).

5. DEPOSIT

The amount represents deposit paid to acquire 70% equity interest in a company incorporated in Indonesia which owns coal mining concession.

6. CASH AND CASH EQUIVALENTS

	2018 US$	2017 US$
Cash on hand	1	1
Cash at bank	5,913	1,778
	5,914	1,779
Cash and cash equivalents are denominated in the following currencies:-		
United States dollar	3,783	1,530
Singapore dollar	2,131	249
	5,914	1,779

7. SHARE CAPITAL

Issued and fully paid:-		
2 ordinary shares	1	1

The owners of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares have no par value and carry one vote per share without restrictions.

8. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

	2018 US$	2017 US$
Interest-bearing amount	-	3,300,500
Non-interest bearing amount	-	8,828,238
	-	12,128,738

During the financial year, the holding company waived the debts (non-trade) owing by the company amounting to US$12,136,696 (2017: US$ Nil).

8. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY (Continued)

In the previous financial year, interest-bearing amount is charged at fixed rate of 4% per annum. The amount become interest free with effect from 1 April 2017. The interest expenses for the year amounted to US$ Nil (2017: US$130,815).

The amount is unsecured and repayable when the company has the financial resources to do so.

9. OTHER PAYABLES

	2018 US$	2017 US$
Accruals	2,713	1,783
Others	700	761
	3,413	2,544
Other payables are denominated in the following currencies:-		
United States dollar	700	700
Singapore dollar	2,713	1,844
	3,413	2,544

10. FINANCE COST

This pertains to interest expense charged by the immediate holding company (Note 8).

11. TAXATION

The income tax varied from the amount of taxation determined by applying the Singapore taxation rate of 17% to loss before taxation as a result of the following differences:-

	2018 US$	2017 US$
Profit/(Loss) before taxation	12,132,004	(5,475,180)
Tax expense/(benefit) calculated at a tax rate of 17%	2,062,441	(930,781)
Expenses not deductible for tax purposes	797	907,800
Revenue not subject to income tax	(2,063,238)	-
Tax effect of loss not available for carry forward	-	22,981
	-	-

12. CONTINGENT LIABILITY

The company has, together with related companies, given corporate guarantees of US$20 million (2017: US$20 million) to a bank for the credit facilities granted to its immediate holding company. At 31 March 2018, the immediate holding company had utilised US$5.88 million (2017: US$10.63 million) of the credit facilities.

Management has evaluated the guarantees issued and determined that the fair value of the financial guarantee is not material. The ultimate holding company has undertaken to indemnify the company should there is any payment required in respect of the arrangement.

13. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements.

	2018 US$	2017 US$
Acquisition of investment in subsidiaries from related companies	-	2
Waiver of amount due to immediate holding company	(12,136,696)	-
Interest expense charged by immediate holding company (Note 8)	-	130,815

There are no employees and associated employee benefit expenses incurred during the year ended 31 March 2018 and 31 March 2017 as administrative support is provided by ultimate holding company (2017: ultimate holding company) without any charge.

There is no remuneration of director incurred during the years ended 31 March 2018 and 31 March 2017.

14. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The management monitors and manages the financial risks relating to the operations of the company to minimise adverse potential effects on financial performance. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and fair value risk. The policies on how to mitigate these risks are set out below.

Foreign Currency Risk

The company's transactions are mostly denominated in United States dollars and therefore the exposure to foreign exchange risk is not significant.

14. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

Interest Rate Risk

The company has no interest-bearing financial assets and financial liabilities except for amount due to immediate holding company as disclosed in Note 8 to the financial statements.

No sensitivity analysis is presented as reasonably possible changes in interest rates are not expected to have a significant impact on operating results.

Credit Risk

The company has no concentration of credit risk.

Liquidity Risk

When required, the company obtains financial support from the holding company.

As at end of current financial year, the maturity profile of the company's financial liabilities is within 12 months from the end of the reporting period.

As at end of financial year 2017, the maturity profile of the company's financial liabilities was within 12 months from the end of the reporting period except for the amount due to the immediate holding company which was payable when the company had the financial resources to do so. The immediate holding company had undertaken not to recall the repayment within the twelve month period from the end of reporting date.

15. FAIR VALUES

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The non-interest bearing amount due to immediate holding company measured at cost are not carried at fair value because the fair value cannot be measured reliably. The management is unable to ascertain the repayment period of the balance. The debt was waived by the immediate holding company during the financial year.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

16. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2018 S$	2017 S$
Financial assets		
Loans and receivables:-		
Cash and cash equivalents	5,914	1,779
Total financial assets	5,914	1,779
Financial liabilities		
At amortised costs:-		
Amount due to immediate holding company	-	3,300,500
Other payables	3,413	2,544
	3,413	3,303,044
At cost:		
Amount due to immediate holding company (interest-free)	-	8,828,238
Total financial liabilities	3,413	12,131,282

17. CAPITAL MANAGEMENT

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance.

The management reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The company is not subject to any externally imposed capital requirement. There have been no changes in the company's approach to capital management during both financial years.

18. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

At the date of authorisation of these financial statements, management anticipates that the adoption of the FRSs, INT FRSs and amendments to FRS that were issued but not effective will not have a material impact on the financial statements of the company in the period of their initial adoption.