

IGLCHEM INTERNATIONAL PTE. LTD.

Company Registration No.200720371D

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

IGLCHEM INTERNATIONAL PTE. LTD.

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For the financial year ended 31 March 2016

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IGLCHEM INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2016

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2016.

Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Mehta Dharmesh Yashwant
Uma Shankar Bhartia
Anisha Bole (Appointed on 24 August 2015)

Arrangement to enable directors to acquire shares or debentures

Neither at the end of nor at any time during that financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

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

Name of directors	<u>Interest held in the name of the director</u>		
	<u>At the beginning of financial year</u>	<u>Additions</u>	<u>At the end of financial year</u>
Ordinary shares of the Company			
<i>Holding Company</i>			
India Glycols Ltd			
Uma Shankar Bhartia	100,000	-	100,000

IGLCHEM INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2016

Share options

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

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

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

Auditors

PlanPartners PAC have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,



Anisha Bole
Director



Uma Shankar Bhartia
Director

Singapore, 25 MAY 2016

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IGLCHEM INTERNATIONAL PTE. LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of IGLCHEM INTERNATIONAL PTE. LTD. (the "Company"), which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards as so to give a true and fair view of the financial position of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Incorporating the following:

Patrick Lee & Co., practicing since 1973
PS Tay & Co., practicing since 1984
K S Liew & Co., practicing since 1976
KPHO & Associates, practicing since 1987

*PlanPartners PAC is a Public Accounting Corporation
established under the Singapore Companies Act, Cap 50 with limited liability.
Company & GST Registration No. 201117522Z*

PLANPARTNERS PAC

Public Accountants & Chartered Accountants
138 Cecil Street #18-00 Cecil Court Singapore 069538
Email: enquiry@plpartnerspac.com.sg
Tel: 65 6224 1171
Fax: 65 6223 8718

Directors
Dean Tow (Managing)
Lawrence Phong
Patrick Lee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGLCHEM INTERNATIONAL PTE. LTD.

(continued)

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.



PlanPartners PAC
*Public Accountants and
Chartered Accountants*

Singapore, 25 MAY 2016

PLANPARTNERS PAC
Registration No. 201117522Z
138 CECIL STREET
#18-00 CECIL COURT
SINGAPORE 069538
TEL: 62241171 FAX: 62238718

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IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	2016 US\$	2015 US\$
ASSETS			
Non-current assets			
Plant and equipment	5	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Current assets			
Inventories	6	2,298,780	-
Trade and other receivables	7	1,161,225	446,018
Cash and cash equivalents	8	13,695	44,766
Total current assets		<u>3,473,700</u>	<u>490,784</u>
Total assets		<u>3,473,700</u>	<u>490,784</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	9	79,252	79,252
Accumulated losses		(381,606)	(362,504)
Total equity		<u>(302,354)</u>	<u>(283,252)</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	3,776,054	774,036
Total current liabilities/Total liabilities		<u>3,776,054</u>	<u>774,036</u>
Total equity and liabilities		<u>3,473,700</u>	<u>490,784</u>

IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2016

	Note	2016 US\$	2015 US\$
Revenue	11	7,627,796	5,230,283
Other income		373	-
Changes in inventories		-	(334,677)
Consumables used		(7,627,796)	(4,932,568)
Depreciation of plant and equipment	5	-	(654)
Employee benefits	12	(6,431)	(102,793)
Other operating expenses		(13,044)	(154,679)
Loss before taxation	13	(19,102)	(295,088)
Taxation	14	-	1,458
Loss for the year, representing total comprehensive income for the year		(19,102)	(293,630)




IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2016

	<u>Share</u> <u>capital</u> US\$	<u>Accumulated</u> <u>losses</u> US\$	<u>Total</u> US\$
Balance as at 1 April 2014	79,252	(68,874)	10,378
Total comprehensive income for the year	-	(293,630)	(293,630)
Balance as at 31 March 2015	79,252	(362,504)	(283,252)
Total comprehensive income for the year	-	(19,102)	(19,102)
Balance as at 31 March 2016	79,252	(381,606)	(302,354)



IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

	Note	2016 US\$	2015 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(19,102)	(295,088)
<i>Adjustment for :</i>			
Bad debts written off		-	54,712
Depreciation of plant and equipment	5	-	654
Fixed assets written off		-	1,577
Translation difference		-	121
Operating loss before working capital changes		(19,102)	(238,024)
<i>Movements in working capital: -</i>			
Trade and other receivables		(714,283)	(74,117)
Inventories		(2,298,780)	334,677
Trade and other payables		3,001,847	(128,953)
Cash used in operations		(30,318)	(106,417)
Tax paid		-	-
Tax refund		-	1,458
Net cash used in operating activities		(30,318)	(104,959)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment	5	-	(576)
Net cash used in investing activities		-	(576)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount due from/(to) director		(753)	(2)
Net cash used in financing activities		(753)	(2)
NET CHANGES IN CASH AND CASH EQUIVALENTS			
		(31,071)	(105,537)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		44,766	150,303
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	13,695	44,766

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IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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

1. Domicile and activities

The Company is incorporated and domiciled in Singapore.

The registered address of the Company's and its principal place of business is at 138 Cecil Street, #18-00 Cecil Court, Singapore 069538.

The principal activity of the Company is general trading of chemicals and polymers.

The immediate and ultimate holding company is India Glycols Ltd, a company incorporated in India.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention basis except for those disclosed in the significant accounting policies.

2.3 Functional currency

These financial statements are presented in United States Dollars, which is the Company's functional currency.

2.4 Interpretations and amendments to published standards effective in 2015

On 01 April 2015, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that 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 FRS and INT FRS.

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

3. Critical accounting estimates, assumptions and judgments

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

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements, and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is discussed below:



NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3. Critical accounting estimates, assumptions and judgments (*continued*)

3.1 *Determination of functional currency*

In determining the functional currency of the entity, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the entity is determined based on the directors' assessment of the economic environment in which the entity operates and the entity's process of determining sales prices.

3.2 *Income taxes*

The Company is subject to income taxes in Singapore. Significant judgement is involved in determining the Company-wide provision for income taxes. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provisions in the year in which such determination is made.

3.3 *Allowance for doubtful trade accounts*

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. The directors generally analyse trade accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade accounts. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting

3.4 *Net realisable value of inventories*

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realizable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to consider the future demand for the products. In any case the realizable value represents the best estimate of the recoverable amount and is based on the most acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realizable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgment and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories.

3.5 *Depreciation of plant and equipment*

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The directors estimate the useful lives of these plant and equipment to be within 5 years. The carrying amount of the Company's plant and equipment are set out in Note 5. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3. Critical accounting estimates, assumptions and judgments (continued)

3.6 Provisions and contingent liabilities

Estimates of the Company's obligations arising from contracts exist as at end of the reporting year may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the directors' knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except as explained in Note 2.4, which addresses changes in accounting policies.

4.1 Share capital

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

4.2 Financial assets

Loans and receivables include "cash and cash equivalents" and "trade and other receivables" in the statement of financial position.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

The Company assesses at each end of the reporting period whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

4.3 Financial liabilities

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

4.4 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

4. Significant accounting policies (continued)

4.4 Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

4.5 Provisions

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

4.6 Plant and equipment

(i) *Recognition and measurement*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) *Subsequent costs*

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

4. Significant accounting policies (continued)

4.6 Plant and equipment (continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

- | | |
|--------------------------|---------|
| • Computer | 3 years |
| • Furniture and fittings | 3 years |
| • Office equipment | 5 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.7 Impairment of non-financial assets

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Plant and equipment" for the treatment of a revaluation decrease.

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

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

4. Significant accounting policies (continued)

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

4.9 Revenue recognition

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

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, significant risks and rewards of ownership have been transferred to the buyer, there is no continuing management involvement with the goods or services, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:

Sale of goods

Revenue from sales is recognized when the Company has delivered the goods to locations specified by its customers and the customers have accepted the parts in accordance with the sales agreement.

4.10 Leases

The Company leases stall under operating leases from non-related parties.

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

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

4.11 Employee compensation

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

(a) Defined contribution plans

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

(b) Employee leave entitlements

Employee entitlements to the annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for annual leave as a result of service rendered by employees up to the end of the reporting period.

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

4. Significant accounting policies (continued)

4.12 Cash and cash equivalents

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

4.13 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

5. Plant and equipment

	<u>Computer</u> \$	<u>Furniture & fittings</u> \$	<u>Office equipment</u> \$	<u>Total</u> \$
<u>COST</u>				
Balance as at 31.03.2014	5,070	2,115	1,742	8,927
Additions	-	-	576	576
Written off	(5,070)	(2,115)	(2,318)	(9,503)
Balance as at 31.03.2015	-	-	-	-
Additions	-	-	-	-
Written off	-	-	-	-
Balance as at 31.03.2016	-	-	-	-
<u>ACCUMULATED DEPRECIATION</u>				
Balance as at 31.03.2014	3,778	2,115	1,258	7,151
Depreciation for the year	345	-	309	654
Written off	(4,202)	(2,115)	(1,609)	(7,926)
Translation differences	79	-	42	121
Balance as at 31.03.2015	-	-	-	-
Depreciation for the year	-	-	-	-
Balance as at 31.03.2016	-	-	-	-
<u>CARRYING VALUE</u>				
Balance as at 31.03.2016	-	-	-	-
Balance as at 31.03.2015	-	-	-	-

6. Inventories

	2016 US\$	2015 US\$
<u>Statement of financial position:</u>		
<i>Inventories, at lower of cost and net realisable value</i>		
Raw materials	-	-
Goods in transit	2,298,780	-
	<u>2,298,780</u>	-
<u>Statement of comprehensive income:</u>		
Inventories recognised as an expense in cost of sales	-	5,267,245

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

7. Trade and other receivables	2016 US\$	2015 US\$
Trade receivables		
- non-related parties	996,138	281,855
Total trade receivables	<u>996,138</u>	<u>281,855</u>
Other receivables		
- Other receivables	20,709	20,709
- Advanced payment	143,454	143,454
- Deposits	-	-
- Prepayment	-	-
- Amount due from a director	924	-
- Tax recoverable	-	-
Total other receivables	<u>165,087</u>	<u>164,163</u>
Total trade and other receivables	<u>1,161,225</u>	<u>446,018</u>

8. Cash and cash equivalents	2016 US\$	2015 US\$
Bank balances	13,695	44,766
Cash and cash equivalents in the Statement Of Financial Position and Statement of Cash Flows	<u>13,695</u>	<u>44,766</u>

9. Share capital	2016 US\$	2015 US\$
Issued and fully paid -		
Balance at beginning and at end of the financial year, 100,000 Ordinary Shares	<u>79,252</u>	<u>79,252</u>

The above have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the Company's residual asset.

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of share capital and retained earnings. The Company's overall strategy remains unchanged from previous financial year.

10. Trade and other payables	2016 US\$	2015 US\$
Trade payables		
- Non-related party	3,775,275	764,868
Total trade payables	<u>3,775,275</u>	<u>764,868</u>

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

10. Trade and other payables (continued)

	2016 US\$	2015 US\$
Other payables		
- Amount owing to director	171	-
- Accruals	608	9,168
Total other payables	<u>779</u>	<u>9,168</u>
Total trade and other payables	<u>3,776,054</u>	<u>774,036</u>

11. Revenue

Revenue represents invoiced value of goods sold less trade discount allowed and sales returns.

12. Employee benefits

	2016 US\$	2015 US\$
Director's remuneration	5,051	92,878
Director's CPF and SDL	1,380	8,571
Medical fee	-	1,344
	<u>6,431</u>	<u>102,793</u>

13. Loss before Taxation

	2016 US\$	2015 US\$
This is arrived after charging: -		
Bad debts written off	-	54,502
Foreign currency exchange differences	-	3,212
Freight charges	-	19,683
		<u>77,402</u>

14. Taxation

	2016 US\$	2015 US\$
Current year income tax	-	-
Over provision in prior year	-	(1,458)
		<u>(1,458)</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2015: 17%) to loss before taxation as a result of the following differences:-

	2016 US\$	2015 US\$
Loss before taxation	<u>(19,102)</u>	<u>(295,088)</u>
Income tax expense at statutory rate	(3,247)	(50,165)
Non-allowable items	-	1,656
Unutilised tax loss	3,247	48,509
Total income tax expense	<u>-</u>	<u>-</u>

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

14. Taxation (continued)

The Company has estimated unutilised tax losses and tax timing differences from capital allowances available for offsetting against future taxable income as follows:-

	2016 US\$	2015 US\$
<i>Unutilised tax losses</i>		
Amount at the beginning of the year	303,799	18,451
Additions in current year	19,102	285,348
Amount at the end of year	<u>322,901</u>	<u>303,799</u>

Tax benefit arising from the estimated unutilised tax losses has not been recognised in the financial statements as the realization of the benefit depends on future profitability and whether there are changes in the shareholders as required by provisions of the Income Tax Act.

15. Lease commitment

At the statement of financial position date, the Company was committed to making the following payments in respect of non-cancellable operating leases with a term of more than one year:

	2016 US\$	2015 US\$
<i>Rental of stalls:-</i>		
Payable within one year	-	-
Rental expenses for the financial year	-	<u>11,586</u>

16. Significant related party transactions

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

Key management personnel compensation comprised:

	2016 US\$	2015 US\$
Directors' remuneration	<u>5,051</u>	<u>92,878</u>

17. Financial risk management

Financial risk factors

The Company's activities expose it to currency risk, credit risk and liquidity risk. The Company's overall risk management strategy seek to minimize potential adverse effects from the unpredictability of financial markets on the financial performance of the Company.

The directors manage and monitor such exposures to ensure appropriate risk management measures are implemented on timely and effective manners. However, these are not documented in formal written documents. The following guidelines are followed:

- (i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.
- (ii) All financial risk management activities are carried out and monitored by the directors.
- (iii) All financial risk management activities are carried out following market practices.

There has been no significant change to the manner in which it manages and measures these risks.

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

17. Financial risk management (continued)

Concentrations of trade receivable customers as at the end of reporting year are as follows:

	2016 US\$	2015 US\$
Top 1 customer	996,138	91,640
Top 2 customers	-	136,880
Top 3 customers	-	162,335

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

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

	<u>2016</u>	<u>2015</u>
	One year or less/ Total US\$	One year or less/ Total US\$
Financial assets:		
Trade and other receivables (Note 7)	1,161,225	446,018
Cash and cash equivalents (Note 8)	13,695	44,766
Total undiscounted financial assets	<u>1,174,920</u>	<u>490,784</u>
Financial liabilities:		
Trade and other payables (Note 10)	3,776,054	774,036
Total undiscounted financial liabilities	<u>3,776,054</u>	<u>774,036</u>
Total net undiscounted financial liabilities	<u>(2,601,134)</u>	<u>(283,252)</u>

18. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or period between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of cash and balance balances, current trade and other receivables/payables and current bank loans, based on their notional amounts, reasonably approximate their fair values because they are mostly short-term in nature or are repriced frequently.

Methods and assumptions used to determine fair values

The following methods and assumptions are used by management to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value are as follows:-

Trade receivables and payables

The carrying amounts of these balances approximate their fair values because these are subject to normal trade credit terms.

Cash and bank balances, deposit, other payables and accruals

The carrying amounts of these amounts approximate their fair values due to their short-term nature.

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

19. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages the level of capital in proportion to risk and future business development requirements while balancing the need to maximise the return on capital. It monitors and manages its capital structure on an on-going basis and makes adjustments to it in the light of changes in economic conditions and events and the Company's financial performance.

As part of its capital management process, the Company may adjust its level of dividends or allot new shares to shareholders where appropriate. The Board takes into consideration the cash position and business requirements of the Company when determining the level of dividends to pay its shareholders. No changes were made in the objectives, policies or processes during the years ended 31 March 2016 and 31 March 2015.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, term loans, bank overdraft, bill payables, trade and other payables less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

	2016 US\$	2015 US\$
Trade and other payables (Note 10)	3,776,054	774,036
Less: Cash and cash equivalents	(13,695)	(44,766)
Net debt	3,762,359	729,270
Total capital	(302,354)	(283,252)
Capital and debt	3,460,005	446,018
Debt-to-adjusted capital ratio (times)	1.09	1.64

20. Currently effective requirements

With effect from 1 April 2015, the Company has adopted all the following new, revised and amendments to FRS that are mandatory for financial years beginning on or after 1 April 2014. The adoption of these new, revised and amendments to FRS has no significant impact on the Company.

Effective for annual periods beginning on or after 1 January 2014

- FRS 110 *Consolidated Financial Statements*, and Amendment to FRS 27 (revised 2011) *Separate Financial Statements*
- FRS 111 *Joint Arrangements*, and Amendment to FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*
- Amendment to FRS 32 *Financial Instruments: Presentation* (Offsetting financial assets and financial liabilities)
- Amendment to FRS 36 *Impairment of Assets* (Recoverable amount disclosures for non-financial assets)
- Amendment to FRS 39 *Financial Instruments: Recognition and Measurement* (Novation of derivatives and continuation of hedge accounting)
- INT FRS 121 *Leases*

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

20. Currently effective requirements (continued)

Future changes in accounting policies

The Company has not adopted the following new, revised and amendments to FRS that have been issued but not yet effective. Those new, revised and amendments to FRS are not expected to have significant impact to the Company.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 19 (R) <i>Employee Benefits</i> - <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements 2012 - FRS 102 <i>Share-Based Payment</i> - FRS 103 <i>Business Combinations</i> - FRS 108 <i>Operating Segments</i> - FRS 16 <i>Property, Plant and Equipment</i> - FRS 38 <i>Intangible Assets</i> - FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Annual Improvements 2013 - FRS 103 <i>Business Combinations</i> - FRS 113 <i>Fair Value Measurement</i> - FRS 40 <i>Investment Property</i>	1 July 2014
FRS 114 <i>Regulatory Deferral</i>	1 January 2016
Not yet adopted by Singapore ASC IFRS 15 <i>Revenue from contracts with customers</i> IFRS 9 <i>Financial Instruments</i>	1 January 2017 1 January 2018

22. Authorisation of financial statements

The Board of Directors of IGLCHEM INTERNATIONAL PTE. LTD. authorise these financial statements for issue on 25 MAY 2016.



IGLCHEM INTERNATIONAL PTE. LTD.

DETAILED INCOME STATEMENT

For the financial year ended 31 March 2016

	2016 US\$	2015 US\$
REVENUE		
Sales - local	-	1,425,206
Sales - overseas	7,627,796	3,805,077
	<u>7,627,796</u>	<u>5,230,283</u>
LESS: COST OF SALE		
Opening inventories	-	334,677
Purchases	7,627,796	4,932,568
	<u>7,627,796</u>	<u>5,267,245</u>
Closing inventories	-	-
	<u>7,627,796</u>	<u>5,267,245</u>
GROSS (LOSS)/PROFIT	-	(36,962)
ADD: OTHER INCOME		
Gain on foreign currency exchange	230	-
Other income	143	-
	<u>373</u>	<u>(36,962)</u>
LESS: EXPENSES		
Accounting, audit, secretarial and tax fees	7,439	8,818
Allowance	-	5,502
Bad debts - trade	-	54,502
Bad debts - non trade	-	210
Bank charges	3,813	4,769
Container cleaning charges	-	32
Director's CPF & SDL	1,380	8,571
Depreciation of plant and equipment	-	654
Director's remuneration	5,051	92,878
Entertainment expenses	-	1,719
Fixed assets written off	-	1,577
Freight charges	-	19,683
Foreign currency exchange differences	-	3,212
General expenses	228	491
Gifts	-	3,582
Insurance	-	6,294
Medical expenses	-	1,344
Newspaper & periodical	-	-
Postage	89	741
Printing and stationery	58	305
Rental expense	-	11,586
Refreshment	-	25
Repair and maintenance	-	527
Stamp/search fee	-	-
Storage charges	-	13,864
Telephone expense	1,417	6,216
Transport and travelling expenses	-	10,850
Utilities	-	174
	<u>19,475</u>	<u>258,126</u>
LOSS BEFORE TAXATION	<u>(19,102)</u>	<u>(295,088)</u>

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