

IGLCHEM INTERNATIONAL PTE. LTD.
Company Registration No.200720371D
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

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IGLCHEM INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2017

The directors are pleased to present their statement to the members together with the audited financial statements of IGLCHEM INTERNATIONAL PTE. LTD. (the "Company") for the financial year ended 31 March 2017.

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 2017 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

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>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 2017

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, 16 MAY 2017

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IGLCHEM INTERNATIONAL PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2017, 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.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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)

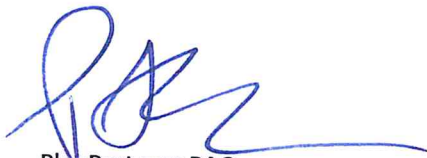
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 16 MAY 2017

IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017 US\$	2016 US\$
ASSETS			
Current assets			
Inventories	4	-	2,298,780
Trade receivables	5	-	996,138
Other receivables	6	143,454	165,087
Cash and cash equivalents	7	9,782	13,695
Total current assets/Total assets		153,236	3,473,700
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	8	79,252	79,252
Accumulated losses		(407,274)	(381,606)
Total equity		(328,022)	(302,354)
Current liabilities			
Trade payables	9	480,357	3,775,275
Other payables	10	901	779
Provision for taxation	11	-	-
Total current liabilities/ Total liabilities		481,258	3,776,054
Total equity and liabilities		153,236	3,473,700

IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	Note	2017 US\$	2016 US\$
Revenue	12	6,278,844	7,627,796
<i>Other items of income</i>			
Other income	13	-	373
		-	373
<i>Other items of expense</i>			
Raw material and consumables used		(6,278,844)	(7,627,796)
Employee benefits expense	14	-	(6,431)
Other operating expenses		(25,668)	(13,044)
Loss before tax	15	(25,668)	(19,102)
Income tax expense	11	-	-
Loss for the year, representing total comprehensive income for the year		(25,668)	(19,102)

IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

	<u>Share capital</u> US\$	<u>Accumulated losses</u> US\$	<u>Total equity</u> US\$
Balance as at 1 January 2016	100,000	(362,504)	(262,504)
Loss for the year, representing total comprehensive income for the year	-	(19,102)	(19,102)
Balance as at 31 December 2016	<hr/> 100,000	<hr/> (381,606)	<hr/> (281,606)
Loss for the year, representing total comprehensive income for the year	-	(25,668)	(25,668)
Balance as at 31 December 2017	<hr/> <hr/> 100,000	<hr/> <hr/> (407,274)	<hr/> <hr/> (307,274)

IGLCHEM INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	2017 US\$	2016 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(25,668)	(19,102)
<i>Movements in working capital:</i>			
Trade receivables		996,138	(714,283)
Other receivables		20,709	-
Trade payables		(3,294,918)	3,010,407
Other payables		122	(8,560)
Net cash used in operating activities		<u>(4,837)</u>	<u>(30,318)</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Net cash used in investing activity		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance to a director		924	(924)
Loan from a director		-	171
Net cash generated from/(used in) financing activities		<u>924</u>	<u>(753)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		(3,913)	(31,071)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		13,695	44,766
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	7	<u>9,782</u>	<u>13,695</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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 address of the Company's registered office is at 138 Cecil Street, #18-00 Cecil Court, Singapore 069538 and its principal place of business is at 8 Lorong 39 Geylang, #08-13 Sims Residences, Singapore 387882.

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. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar (US\$), which is the Company's functional currency.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any material effect on the financial statements.

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 102: Classification and Measurement of Share-Based Payment Transactions	1 Jan 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (continued)

2.6 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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.

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

Cash and cash equivalents comprise cash at banks.

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 has been recognised in other comprehensive income is recognised in profit or loss.

b) 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.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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.

Such financial liabilities comprise trade and other payables.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. 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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (continued)

2.7 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.8 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.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (continued)

2.10 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.11 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 an outflow of resources embodying economic benefits 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 economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

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.

2.13 Employee benefits

a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Short-term employee benefits

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

2.14 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (continued)

2.14 Taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15 Related parties

A related party is defined as follows:

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

3. **Critical accounting judgments and estimates**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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.

Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

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 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.

(a) *Impairment of loans and receivables*

The impairment of other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(b) *Net realisable value of inventories*

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable 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 realisable 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 realisable 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.

(c) *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 period in which such determination is made.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

3. Critical accounting judgments and estimates (continued)

Key sources of estimation uncertainty (continued)

(d) Provisions and contingent liabilities

Estimates of the Company's obligations arising from contracts exist as at statement of financial position date 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.

4. Inventories

	2017 US\$	2016 US\$
<u>Statement of financial position:</u>		
<i>Inventories, at lower of cost and net realisable value</i>		
Goods in transit	-	2,298,780
	<u>-</u>	<u>2,298,780</u>
<u>Statement of comprehensive income:</u>		
Inventories recognised as an expense in cost of sales	-	-
	<u>-</u>	<u>-</u>

5. Trade receivables

	2017 US\$	2016 US\$
Non-related parties	-	996,138
	<u>-</u>	<u>996,138</u>

6. Other receivables

	2017 US\$	2016 US\$
Other receivables	-	20,709
Advanced payment	143,454	143,454
Amount due from a director	-	924
	<u>143,454</u>	<u>165,087</u>

7. Cash and cash equivalents

	2017 US\$	2016 US\$
Bank balances	9,782	13,695
Cash and cash equivalents in the Statement Of Financial Position and Statement of Cash Flows	<u>9,782</u>	<u>13,695</u>

8. Share capital

	2017 US\$	2016 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>

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

8. Share capital (continued)

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 accumulated losses. The Company's overall strategy remains unchanged from previous financial year.

9. Trade payables

	2017 US\$	2016 US\$
Holding company	480,357	2,779,137
Non-related party	-	996,138
	<u>480,357</u>	<u>3,775,275</u>

10. Other payables

	2017 US\$	2016 US\$
Amount owing to a director	171	171
Accruals	730	608
	<u>901</u>	<u>779</u>

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

11. Income tax expense

	2017 US\$	2016 US\$
Current year income tax	-	-

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2017 and 2016 were as follows:

	2017 US\$	2016 US\$
Loss before tax	<u>(25,668)</u>	<u>(19,102)</u>
Income tax expense at statutory rate	(4,364)	(3,247)
Tax effects of non-deductible expenses	101	-
Unutilised tax loss	4,263	3,247
Total income tax expense	<u>-</u>	<u>-</u>

The Singapore Government has announced that for Year of Assessment ("YA") 2018, all companies will receive a 20% Corporate Income Tax ("CIT") Rebate that is subject to a cap of \$10,000 per YA (YA 2017 cap of \$25,000 per YA).

IGLCHEM INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

11. Income tax expense (continued)

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

	2017 US\$	2016 US\$
<i>Unutilised tax losses</i>		
Amount at the beginning of the year	322,901	303,799
Additions in current year	25,075	19,102
Adjustment in current year	(60,056)	-
Amount at the end of year	<u>287,920</u>	<u>322,901</u>
<i>Balancing allowances</i>		
Amount at beginning and at end of the financial year	<u>1,609</u>	<u>1,609</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.

12. Revenue

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

13. Other income

	2017 US\$	2016 US\$
Gain on foreign currency exchange differences	-	230
Other income	-	143
	<u>-</u>	<u>373</u>

14. Employee benefits expense

	2017 US\$	2016 US\$
Director's remuneration	-	5,051
Director's CPF and SDL	-	1,380
	<u>-</u>	<u>6,431</u>

15. Loss before Tax

	2017 US\$	2016 US\$
This is arrived after charging: -		
Loss on foreign currency exchange differences	<u>593</u>	<u>-</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:

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

16. Significant related party transactions (continued)

Key management personnel compensation comprised:

	2017 US\$	2016 US\$
Directors' remuneration	-	5,051

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.

Currency risk

The Company is exposed to foreign currency risk as a result of its transactions where the denominations differ from its functional currency.

The Company's foreign currency exposures arise mainly from the exchange rate movements of the United States Dollar against the Singapore Dollar. The Company manages the exchange risk by monitoring the movements in exchange rate regularly.

The Company does not enter into any forward contracts to hedge its exposure to movement in exchange rates.

Credit risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. Credit risk on cash balances with banks is limited as the counterparties are entities with acceptable credit ratings. For credit risk on receivables, an ongoing credit evaluation is performed of the financial condition of the debtors and a loss from impairment is recognized in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are monitored by the directors. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in these notes to the financial statements.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90 days (2016: 90 days). But some customers take a longer period to settle amounts.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

17. Financial risk management (continued)

Credit risk (continued)

By type of customers

	2017 US\$	2016 US\$
Non-related parties	-	996,138

(i) Receivables that are neither past due nor impaired

Ageing analysis of the age of trade receivable amounts that are neither past due nor impaired:

	2017 US\$	2016 US\$
Trade receivables that are neither past due nor impaired	-	996,138

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

	2017 US\$	2016 US\$
Top 1 customer	-	996,138

Liquidity risk

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>2017</u> One year or less/Total US\$	<u>2016</u> One year or less/Total US\$
Financial assets:		
Trade receivables (Note 5)	-	996,138
Other receivables (Note 6)	143,454	165,087
Cash and cash equivalents (Note 7)	9,782	13,695
Total undiscounted financial assets	<u>153,236</u>	<u>1,174,920</u>
Financial liabilities:		
Trade payables (Note 9)	480,357	3,775,275
Other payables (Note 10)	901	779
Total undiscounted financial liabilities	<u>481,258</u>	<u>3,776,054</u>
Total net undiscounted financial liabilities	<u>(328,022)</u>	<u>(2,601,134)</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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 cash equivalents, deposit, other payables and accruals

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

19. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2017 and 31 March 2016.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2016.

20. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 16 MAY 2017.

IGLCHEM INTERNATIONAL PTE. LTD.

DETAILED INCOME STATEMENT

For the financial year ended 31 March 2017

	2017 US\$	2016 US\$
REVENUE		
Sales - Overseas	6,278,844	7,627,796
	<u>6,278,844</u>	<u>7,627,796</u>
LESS: COST OF SALES		
Purchases	6,278,844	7,627,796
	<u>6,278,844</u>	<u>7,627,796</u>
GROSS PROFIT	-	-
ADD: OTHER INCOME		
Gain on foreign currency exchange difference	-	230
Other income	-	143
	<u>-</u>	<u>373</u>
LESS: EXPENSES		
Accounting, audit, secretarial and tax fees	8,054	7,439
Bank charges	3,884	3,813
Director's fee	12,339	-
Director's CPF and SDL	-	1,380
Director's remuneration	-	5,051
General expenses	497	228
Loss on foreign currency exchange difference	593	-
Postage and courier charges	9	89
Printing and stationery	168	58
Telephone expenses	-	1,417
Transport and travelling expenses	124	-
	<u>25,668</u>	<u>19,475</u>
LOSS BEFORE TAX	<u>(25,668)</u>	<u>(19,102)</u>