

**ORACLE FINANCIAL SERVICES
SOFTWARE PTE. LTD.**

(Incorporated in the Republic of Singapore)

(Registration Number: 200107453K)

AND ITS SUBSIDIARY

**FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2020**

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.

(Incorporated in the Republic of Singapore)

AND ITS SUBSIDIARY

Directors

Brian Scott Higgins (Appointed on 1 May 2019)
Jane Murphy
Jimmy Ying Wai Tse (Appointed on 1 May 2019)
Venkatachalam Krishnakumar
Wong Gen Kown

Secretaries

Kong Yuh Ling Doreen
Nur Iman Binte Rohan

Registered Office

1 Fusionopolis Place
#12-10 Galaxis
Singapore 138522

Auditor

Rohan • Mah & Partners LLP

Bankers

Citibank, N. A., Singapore Branch, Singapore
Citibank, N. A., Tokyo Branch, Japan
Citigroup Pty Limited, Sydney, Australia
KEB Hana Bank, Chungmuro Branch, South Korea

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Oracle Financial Services Software Pte. Ltd. (the "Company") and its subsidiary (collectively the "Group") for the financial year ended 31 March 2020.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group for the year then ended; and
- (b) at the date of this statements, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

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

Brian Scott Higgins	(Appointed on 1 May 2019)
Jane Murphy	
Jimmy Ying Wai Tse	(Appointed on 1 May 2019)
Venkatachalam Krishnakumar	
Wong Gen Kown	

3 ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the 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.

4 DIRECTORS' INTEREST IN SHARES OR 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 and its related corporations except as stated below:

	Direct interest	
	At beginning of year	At end of year
Ultimate Holding Company - Oracle Corporation		
Name of Director		
Wong Gen Kown	32	66

DIRECTORS' STATEMENT

4 DIRECTORS' INTEREST IN SHARES OR DEBENTURES - cont'd

	Direct interest	
	At beginning of year	At end of year
Immediate Holding Company - Oracle Financial Services Software Limited		
Name of Director		
Venkatachalam Krishnakumar	2,538	2,538

5 SHARE OPTIONS

There were no options granted during the financial year to subscribe for 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 of the financial year.

6 AUDITOR

The auditor, Messrs. Rohan • Mah & Partners LLP, has expressed its willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

.....
Venkatachalam Krishnakumar
Director

.....
Wong Gen Kown
Director

Singapore,
7 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.

(Incorporated in the Republic of Singapore)

AND ITS SUBSIDIARY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oracle Financial Services Software Pte. Ltd. (the "Company") and its subsidiary (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group for the year ended 31 March 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company 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 consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 Group 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 AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.

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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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 of 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.

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Auditor's Responsibilities for the Audit of the Financial Statements - cont'd

- 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore
7 July 2020
(RK/MA./SR/DB/WQ/AJ/ZY/ccy)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	The Group		The Company	
		2020 US\$	2019 US\$	2020 US\$	2019 US\$
ASSETS LESS LIABILITIES					
Non-Current Assets					
Property, plant and equipment	3	7,271	7,292	7,271	7,292
Right-of-use assets	4	683,736	-	683,736	-
Investment in subsidiary	5	-	-	-	-
Intangible assets	6	-	-	-	-
Other receivables	7	318,686	319,660	318,686	319,660
		<u>1,009,693</u>	<u>326,952</u>	<u>1,009,693</u>	<u>326,952</u>
Current Assets					
Trade receivables	8	31,589,360	37,728,548	31,589,360	37,728,548
Other receivables	7	1,132,593	1,732,401	1,132,593	1,732,401
Contract assets	9	12,267,819	17,519,229	12,267,819	17,519,229
Cash and cash equivalents	10	18,722,028	11,217,149	18,629,176	11,116,648
		<u>63,711,800</u>	<u>68,197,327</u>	<u>63,618,948</u>	<u>68,096,826</u>
Current Liabilities					
Trade and other payables	11	33,594,708	30,288,153	33,591,899	30,285,203
Contract liabilities	12	15,954,726	21,494,401	15,954,726	21,494,401
Current tax liabilities		3,669,183	713,814	3,669,183	713,814
Lease liabilities	13	392,644	-	392,644	-
		<u>53,611,261</u>	<u>52,496,368</u>	<u>53,608,452</u>	<u>52,493,418</u>
Net Current Assets		<u>10,100,539</u>	<u>15,700,959</u>	<u>10,010,496</u>	<u>15,603,408</u>
Non-Current Liabilities					
Deferred taxation	14	64,537	64,012	64,537	64,012
Lease liabilities	13	362,921	-	362,921	-
		<u>427,458</u>	<u>64,012</u>	<u>427,458</u>	<u>64,012</u>
Net Assets		<u>10,682,774</u>	<u>15,963,899</u>	<u>10,592,731</u>	<u>15,866,348</u>
Capital and reserves attributable to equity holders of the Company					
Share capital	15	136,525	136,525	136,525	136,525
Capital contribution	16	3,615,349	2,876,090	3,615,349	2,876,090
Retained profits	17	9,524,014	14,961,478	11,095,096	16,354,469
Translation reserve		(2,593,114)	(2,010,194)	(4,254,239)	(3,500,736)
Total Equity		<u>10,682,774</u>	<u>15,963,899</u>	<u>10,592,731</u>	<u>15,866,348</u>

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2020**
Continuing operations

	Note	2020 US\$	2019 US\$
Revenue	18	166,886,049	174,173,834
Cost of services performed		<u>(119,548,650)</u>	<u>(126,100,541)</u>
Gross profit		47,337,399	48,073,293
Other income	19	34,853	103,724
Administrative expenses	20	(44,214,709)	(47,263,176)
Finance cost	22	(46,332)	-
Other operating expenses	23	<u>(832,288)</u>	<u>(468,511)</u>
Profit before taxation		2,278,923	445,330
Taxation	24	<u>(7,716,387)</u>	<u>(6,210,525)</u>
Loss from continuing operations		<u>(5,437,464)</u>	<u>(5,765,195)</u>
Other comprehensive loss			
Currency translation differences arising from consolidation		<u>(582,920)</u>	<u>(1,077,517)</u>
Other comprehensive loss, net of tax		<u>(582,920)</u>	<u>(1,077,517)</u>
Total comprehensive loss		<u>(6,020,384)</u>	<u>(6,842,712)</u>
Loss attributable to:			
Equity holders of the Company		<u>(5,437,464)</u>	<u>(5,765,195)</u>
Total comprehensive loss attributable to:			
Equity holders of the Company		<u>(6,020,384)</u>	<u>(6,842,712)</u>

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

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.

(Incorporated in the Republic of Singapore)

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

The Group	<u>Attributable to equity holders of the Company</u>				Total US\$
	Share Capital US\$	Capital Contribution US\$	Retained Profits US\$	Translation Reserve US\$	
As at 1 April 2018, as restated	136,525	2,058,975	20,726,673	(932,677)	21,989,496
Total comprehensive loss for the year	-	-	(5,765,195)	(1,077,517)	(6,842,712)
Employee stock compensation charge	-	817,115	-	-	817,115
As at 31 March 2019	136,525	2,876,090	14,961,478	(2,010,194)	15,963,899
Total comprehensive loss for the year	-	-	(5,437,464)	(582,920)	(6,020,384)
Employee stock compensation charge	-	739,259	-	-	739,259
As at 31 March 2020	136,525	3,615,349	9,524,014	(2,593,114)	10,682,774

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	2020 US\$	2019 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,278,923	445,330
Adjustments for:		
Allowance for expected credit loss	884,918	241,860
Depreciation of property, plant and equipment	357,722	287
Employee stock options compensation expense	739,259	817,115
Foreign exchange difference in property, plant and equipment	(17,185)	11
Interest income	(34,853)	(44,468)
Interest on lease liability	46,332	-
Reversal for doubtful debts	(469,190)	(132,978)
Operating profit before working capital changes	3,785,926	1,327,157
Working capital changes, excluding changes related to cash:		
Trade receivables	10,974,870	(4,490,657)
Other receivables	353,210	108,252
Trade and other payables	(2,233,120)	555,661
Cash generated/(used in) from operations	12,880,886	(2,499,587)
Interest received	34,853	44,468
Income taxes paid (net)	(4,760,493)	(6,588,276)
Net cash generated from/(used in) operating activities	8,155,246	(9,043,395)
CASH FLOWS FROM INVESTING ACTIVITY		
Amount due from immediate holding company - non-trade	252,836	8,632,640
Amount due from related companies - non-trade	(5,264)	189,945
Net cash generated from investing activities	247,572	8,822,585
CASH FLOWS FROM FINANCING ACTIVITY		
Payment in finance lease liabilities	(315,019)	-
Net cash used in financing activities	(315,019)	-
Net increase/(decrease) in cash and cash equivalents	8,087,799	(220,810)
Effect of exchange rate fluctuation on cash and cash equivalent	(582,920)	(1,080,208)
Cash and cash equivalents at beginning of financial year	11,217,149	12,518,167
Cash and cash equivalents at the end of the financial year (Note 10)	18,722,028	11,217,149

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

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

1 CORPORATE INFORMATION

Oracle Financial Services Software Pte. Ltd. (the “Company”) is a private company limited by shares incorporated in Singapore with its registered office and its principal place of business at 1 Fusionopolis Place #12-10 Galaxis, Singapore 138522.

The financial statements of the Company for the year ended 31 March 2020 relate to the Company and its subsidiary (collectively referred to as the “Group”).

The principal activities of the Company in the course of the financial year are those relating to providing information technology solutions, consulting services and development of software to the financial service industry. The principal activities of its subsidiary company are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company has 3 branches operating outside of Singapore as follows:

Branch	Location	Registered Address
Japan	Tokyo	Akasaka Center Building 13F, 1-3-13 Moto Akasaka, Minato-ku, Tokyo 107-0051, Japan.
Australia	Sydney	Level 8, 4 Julius Avenue, North Ryde, Sydney, NSW 2113, Australia
Korea	Seoul	Rm#1410, 14F, Soonhwa Building, 89 Seosomun-ro, Jung-gu, Seoul, South Korea

The principal activities of these branches are the same as the Company.

The Company is a wholly-owned subsidiary of Oracle Financial Services Software Limited, a company incorporated in India. The Company’s ultimate holding company is Oracle Corporation, a company incorporated in the United States of America. Related corporations (companies) in these financial statements refer to members of ultimate holding company’s group of companies.

The financial statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Directors on 7 July 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation**

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements, expressed in United State Dollar (USD or US\$), which is also the functional currency of the Group and Company, are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.1 Basis of Preparation - cont'd**

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 30.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company has adopted all the new and revised standards which are relevant to the Group and the Company and are effective for annual financial periods beginning on or after 1 April 2019. The adoption of these standards did not have any material effect on the financial statements.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning on or after 1 April 2020, and have not been applied in preparing these financial statements. The Group and the Company does not plan to early adopt these standards.

The amendments will come into force from 1 April 2020. Since the Group and the Company current practices is in line with these amendments, the Group and the Company does not expect any effect on these amendments to the consolidated financial statements.

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 Apr 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 Apr 2020
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
Amendments to FRS 103 Definition of a Business	1 Apr 2020
Amendments to FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 Apr 2020
FRS 117 Insurance Contracts	1 Apr 2021

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.2 Going Concern**

Oracle Financial Services Consulting Pte. Ltd. (the subsidiary) incurred a net loss during the year and current liabilities exceeded the current assets, and the accumulated losses exceeded the paid-up capital as at 31 March 2020. These factors indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.

The financial statements have been prepared on the basis that the subsidiary company is a going concern as the penultimate holding company has given written confirmation of its continuing financial support for the subsidiary company. The ability of the subsidiary company to continue as a going concern depends on the penultimate holding company's undertaking to provide continued financial support.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

- (i) the continuing financial support from the related party to procure the necessary finance and support for a period of not less than twelve months from the end of the reporting period;
- (ii) the subsidiary company is able to generate sufficient cash flows from its operations to meet its current and future obligations.

If the financial support is not forthcoming and as a result, the subsidiary is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of the business and at amounts which could differ significantly from the amounts stated in statement of financial position. In addition, the subsidiary may have to provide further liabilities which may arise, and to reclassify long term assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 Group Accounting**2.3.1 Subsidiary****(i) Consolidation**

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.3 Group Accounting - cont'd****2.3.1 Subsidiary - cont'd****(i) Consolidation - cont'd**

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

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

(ii) Acquisitions

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.3 Group Accounting - cont'd****2.3.1 Subsidiary - cont'd****(ii) Acquisitions - cont'd**

Acquisition-related costs are expensed as incurred.

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

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

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.6.1 for the accounting policy on goodwill.

(iii) Disposals

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

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

Please refer to Note 2.5 for the accounting policy on investment in subsidiary.

2.3.2 Transactions with Non-Controlling Interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Group.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method, to allocate depreciation amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Furniture and fittings	2 - 7
Computers	2 - 3
Office equipment	5 - 7
Office premises	3 - 5

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

2.5 Investment in Subsidiary

Investment in subsidiary are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Intangible Assets

2.6.1 Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2012 represents the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2012 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.6 Intangible Assets - cont'd****2.6.1 Goodwill - cont'd**

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.6.2 Customer Contracts

Customer contracts acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses. These costs are amortised to the profit or loss using the straight-line method over 12 months, which is the shorter of their estimated useful lives and periods of contractual rights.

2.6.3 Customer Relationship

Customer relationship acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision of the amortisation period or amortisation method are included in profit or loss for the financial year in which the changes arise.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.7 Impairment of Non-Financial Assets**

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group and 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 cost 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 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.

2.8 Financial Instruments**2.8.1 Financial Assets****Initial Recognition and Measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivable are measured at the amount of consideration to which the Group and the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement*Investment in debt instruments*

Subsequent measurement of debt instruments depends on the Group and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Group and the Company only has debt instruments at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Financial Instrument - cont'd

2.8.1 Financial Assets - cont'd

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in the other comprehensive income which will not be reclassified subsequently to profit or loss. Dividend from such investments are to be recognised in profit or loss when the Group and the Company's right to receive payments is established. For investments in equity instruments which the Group and the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

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

2.8.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. The Group and 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 FVPL, directly attributable transaction costs.

Subsequent Measurement

After initial recognition, financial liabilities that are not carried at FVPL 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.8 Financial Instrument - cont'd****2.8.2 Financial Liabilities - cont'd****Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged and cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Impairment of Financial Assets

The Group and Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group and the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.10 Cash and Cash Equivalents**

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

2.11 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.

2.12 Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

In arrangement for software development and related services along with maintenance services, the Group and the Company has applied the guidance as per FRS 115 Revenue from Contracts with Customers, by applying revenue recognition in respect of each distinct performance obligations. For allocating the transaction price, the Group and the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. For software license, the Group and the Company is using a residual approach for estimating the standalone selling price as the pricing is highly variable. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer obtains control of the work as it progress.

The Group and the Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.12 Revenue Recognition - cont'd****2.12.1 Product Licenses and Related Revenue**

The Group and the Company's primary performance obligations with respect to license support contracts is to provide customers with technical support as needed and unspecified software product upgrades, maintenance releases and patches during the term of the support period, if and when they are available. The Group and the Company are obligated to make the license support services available continuously throughout the contract period. Therefore, revenues for license support contracts is generally recognised ratably over the contractual periods that the support services are provided.

2.12.2 IT Solutions and Consulting Services

Many of the Group and the Company's customer contracts include multiple performance obligations. Judgment is required in determining whether each performance obligation within a customer contract is distinct. Oracle products and services generally do not require a significant amount of integration or interdependency. Therefore, multiple products and services contained within a customer contract are generally considered to be distinct and are not combined for revenue recognition purposes. The transaction price for product licenses and related revenue are allocated for each customer contract to each performance obligation based on the relative standalone selling price for each performance obligation within each contract. The amount of transaction price allocated are recognised to each performance obligation within a customer contract as revenue as each performance obligation is delivered.

2.12.3 Interest Income

Interest income is measured using the effective interest method.

2.13 Currency Translation**2.13.1 Functional and Presentation Currency**

Items included in the financial statements of the Company and the branches are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in United State Dollar ("US\$"), which is the Company's functional and presentation currency except for Australia and Japan branch which is in Australian Dollar ("AU\$") and Japanese Yen ("JPY") respectively.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.13 Currency Translation - cont'd****2.13.2 Translation of 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.

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

2.13.3 Translation of Group Entities' Financial Statements

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

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the reporting date;
- (ii) Income and expenses for each profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the translation dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2.14 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

The Group and the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.14 Leases - cont'd****2.14.1 As lessee**

The Group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-Use Assets

The Group and the Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Group and the Company's right-of-use assets are presented in Note 4.

Lease Liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.14 Leases - cont'd****2.14.1 As lessee - cont'd**

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group and the Company's lease liabilities are included in Note 13.

Short-Term Leases and Leases of Low-Value Assets

The Group and the Company applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.14.2 As lessor

Leases in which the Group and the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group and the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.14 Leases - cont'd**

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

2.14.3 As lessee

Finance lease which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

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

2.14.4 As lessor

The accounting policy applicable to the Company as a lessor in the comparative period was the same as under FRS 116.

2.15 Provision

Provisions are recognised when the Group and 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.16 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 Group and 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 of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions 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 and 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 entity and the other entity is an associate of the 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); or
- (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.

2.17 Taxes**2.17.1 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 - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.17 Taxes - cont'd

2.17.2 Deferred Tax

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

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 by the end of the 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.

2.17.3 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- (a) where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.18 Employee Benefits

2.18.1 Defined Contribution Plans

The Group and the Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, 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.

2.18.2 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.18 Employee Benefits - cont'd****2.18.3 Employee Share Options Plan**

Employees of the Group and the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share options reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share options reserve is transferred to retained earnings upon expiry of the share options.

2.19 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

3 PROPERTY, PLANT AND EQUIPMENT

The Group and The Company

2020	Furniture and fittings US\$	Computers US\$	Office equipment US\$	Total US\$
Cost				
At beginning of year	263,841	105,465	11,689	380,995
Translation difference	-	(6,251)	54	(6,197)
At end of year	<u>263,841</u>	<u>99,214</u>	<u>11,743</u>	<u>374,798</u>
Accumulated Depreciation				
At beginning of year	263,285	100,350	10,068	373,703
Depreciation	-	-	21	21
Translation difference	-	(6252)	55	(6,197)
At end of year	<u>263,285</u>	<u>94,098</u>	<u>10,144</u>	<u>367,527</u>
Carrying Amount				
At end of year	<u>556</u>	<u>5,116</u>	<u>1,599</u>	<u>7,271</u>
2019				
Cost				
At beginning of year	264,094	111,110	13,397	388,601
Written-off	(239)	-	(1,498)	(1,737)
Translation difference	(14)	(5,645)	(210)	(5,869)
At end of year	<u>263,841</u>	<u>105,465</u>	<u>11,689</u>	<u>380,995</u>
Accumulated Depreciation				
At beginning of year	263,538	105,984	11,489	381,011
Depreciation	-	-	287	287
Written off	(239)	-	(1,498)	(1,737)
Translation difference	(14)	(5,634)	(210)	(5,858)
At end of year	<u>263,285</u>	<u>100,350</u>	<u>10,068</u>	<u>373,703</u>
Carrying Amount				
At end of year	<u>556</u>	<u>5,115</u>	<u>1,621</u>	<u>7,292</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

4 RIGHT-OF-USE ASSETS*Group and Company as a lessee*

The Group and the Company has lease contracts for office premises. The Group and Company's obligations under these leases are secured by the lessor's title to the leased assets. The Group and the Company is restricted from assigning and subleasing the leased assets.

Carrying Amounts of Right-of-Use Assets

The Group and the Company	Office premises US\$	Total US\$
At 1 April 2019	-	-
Additions	1,024,252	1,024,252
Depreciation	(357,701)	(357,701)
Translation difference	17,185	17,185
At 31 March 2020	<u>683,736</u>	<u>683,736</u>

The Group and the Company has adopted FRS 116 Leases with effect from 1 April 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognised on the date of initial application and hence the Group and Company has not restated comparative information. The Group and the Company has recorded lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Group and the Company has selected practical expedient for the following:

- a) Not recognising right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Group and the Company recognises the lease payments associated with such leases as an expense over the lease term.
- b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.
- c) FRS 116 is applied only to those contracts that were previously identified as leases under FRS

Accordingly, the Group and the Company has recognised right-of-use asset of US\$1,024,252 and a lease liability of US\$755,565 in the financial statements on the date of initial application. There is no impact on the retained earnings. Due to adoption of FRS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability.

For year ended 31 March 2020, the Group and the Company has recognised depreciation on right-of-use asset of US\$357,701 along with interest on lease liability of US\$46,332. The effect of this standard is not significant on the profit for the period of the Company. Further as per FRS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. In the prior years, operating lease payments were disclosed under the cash outflow from operating activities.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

4 RIGHT-OF-USE ASSETS - cont'd

Lease Liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 13 and the maturity analysis of lease liabilities is disclosed in Note 28.

Amounts recognised in profit or loss

	2020 US\$
Depreciation of right-of-use assets	357,701
Interest on lease liability (Note 22)	46,332
Total amount recognised in profit or loss	<u>404,033</u>

Total cash outflow

The Group and the Company had total cash outflows for leases of US\$315,019 in 2020.

5 INVESTMENT IN SUBSIDIARY

	The Company	
	2020 US\$	2019 US\$
Unquoted investment, at cost	1,150,184	1,150,184
Impairment loss	<u>(1,150,184)</u>	<u>(1,150,184)</u>
	<u>-</u>	<u>-</u>

In financial year 2013, the Management recognised an impairment loss of US\$1,150,184 as the subsidiary has been operating at a loss and was in a negative equity position as at reporting date.

Details of the subsidiary is as follows:

Name of company	Principal activities	Country of incorporation and business	Effective equity held by the Company		Cost of investment	
			2020 %	2019 %	2020 US\$	2019 US\$
Oracle Financial Services Consulting Pte. Ltd.*	Provision of computer software and technology services	Republic of Singapore	100	100	<u>1,150,184</u>	<u>1,150,184</u>

* Audited by Rohan • Mah & Partners LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

6 INTANGIBLE ASSETS

	The Group and The Company	
	2020	2019
	US\$	US\$
Customer contracts	556,364	556,364
Customer relationships	416,851	416,851
	<u>973,215</u>	<u>973,215</u>
Less: Accumulated amortisation	(973,215)	(973,215)
	<u><u>-</u></u>	<u><u>-</u></u>

7 OTHER RECEIVABLES

	The Group and The Company	
	2020	2019
	US\$	US\$
Non-Current		
Deferred contract cost	<u>318,686</u>	<u>319,660</u>
Current		
Amount due from immediate holding company - non-trade	190,896	443,732
Amount due from related companies - non-trade	20,292	15,028
Deferred contract cost	250,839	298,328
Prepayments	670,566	975,313
	<u>1,132,593</u>	<u>1,732,401</u>
	<u><u>1,451,279</u></u>	<u><u>2,052,061</u></u>

Deferred contract cost are incremental costs of obtaining a contract which are recognised as assets and amortised over the benefit period.

The amount due from subsidiary - non-trade is as follows:

	The Group		The Company	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Amount due from subsidiary - non-trade	-	-	3,526,719	3,698,052
Less: Impairment				
Balance at beginning of year	-	-	3,698,052	3,805,464
Exchange difference	-	-	(171,333)	(135,927)
Allowance made during the year	-	-	-	28,515
Balance at end of year	<u>-</u>	<u>-</u>	<u>3,526,719</u>	<u>3,698,052</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The amounts due from immediate holding, related companies and subsidiary company are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

8 TRADE RECEIVABLES

	The Group and The Company	
	2020	2019
	US\$	US\$
Outside companies	6,807,502	7,377,443
Related companies	25,802,946	30,970,120
Total trade receivables	<u>32,610,448</u>	<u>38,347,563</u>
Less: Allowance for expected credit loss*	<u>(1,021,088)</u>	<u>(619,015)</u>
	<u>31,589,360</u>	<u>37,728,548</u>

Trade receivables are non-interest bearing and are generally up to 30 - 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The maximum exposure of credit risk for trade receivables at the reporting date is US\$32,610,448 (2019: US\$38,347,563).

* The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2020	2019
	US\$	US\$
At beginning of the year	619,015	500,415
Provision for expected credit losses	884,918	241,860
Written off during the year	-	(3,392)
Written back during the year	(469,190)	(132,978)
Translation difference	<u>(13,655)</u>	<u>13,110</u>
At end of year	<u>1,021,088</u>	<u>619,015</u>

Expected credit losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables for individual customers as at 31 March:

The Group and the Company

2020	ECL rate	Gross	ECL
	%	US\$	US\$
Not past due	0.00	14,860,044	220
Past due 1 - 30 days	0.01	2,383,121	101,236
Past due 31 - 180 days	0.05 - 0.27	12,715,768	41,625
Past due 181 - 365 days	0.27 - 4.61	133,241	10,236
Past due > 365 days	27.29	<u>2,518,274</u>	<u>867,771</u>
		<u>32,610,448</u>	<u>1,021,088</u>
2019			
Not past due	0.00	7,229,330	64,379
Past due 1 - 30 days	0.01	12,752,605	13,269
Past due 31 - 180 days	0.27 - 3.64	13,260,079	95,317
Past due 181 - 365 days	3.49 - 3.64	3,907,859	229,019
Past due > 365 days	22.66	<u>1,197,690</u>	<u>217,031</u>
		<u>38,347,563</u>	<u>619,015</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

9 CONTRACT ASSETS

	The Group and The Company	
	2020	2019
	US\$	US\$
Contract assets	<u>12,267,819</u>	<u>17,519,229</u>

Contract assets comprise unbilled revenue out of license and services and other recoverable from customers for which the Company has performed work at reporting date, but the agreed billing milestones have not been reached. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

The contract assets recognise under non-financial assets are amounting to US\$2,873,963 (2019: US\$1,672,731).

10 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Cash and bank balances	<u>18,722,028</u>	<u>11,217,149</u>	<u>18,629,176</u>	<u>11,116,648</u>

In 2019, a guarantee was issued as security by the bank for the Company to participate in a bid package with the amount US\$816,719. There is no such guarantee in current year.

11 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Amount due to immediate holding company - trade	24,884,632	19,996,582	24,884,632	19,996,582
Amount due to related company - trade	1,170,259	644,616	1,170,259	644,616
Accrued operating expenses	4,271,644	5,563,514	4,268,835	5,560,564
GST payables	888,904	1,390,646	888,904	1,390,646
Leave encashment	2,171,777	2,319,203	2,171,777	2,319,203
Other creditors	79,373	148,187	79,373	148,187
Withholding tax payable	128,119	225,405	128,119	225,405
	<u>33,594,708</u>	<u>30,288,153</u>	<u>33,591,899</u>	<u>30,285,203</u>

The provision for leave encashment recognised as (income)/expenses amounts to (US\$147,426) (2019: US\$1,419,008). Employees are entitled to leave encashment an amount equivalent to a day's wages multiplied by the unused leaves. No other post-retirement benefits are provided to these employees (Note 32).

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020
12 CONTRACT LIABILITIES

	The Group and The Company	
	2020	2019
	US\$	US\$
Contract liabilities	<u>15,954,726</u>	<u>21,494,401</u>

Contract liabilities include advance payments from customers and accrued payables to immediate holding company.

As at year-end, advance payments from customers amounts to US\$8,003,721 (2019: US\$9,196,539). In the case of services, such advances arise when a particular milestone payment exceeds the work done to date. Revenue recognised in 2020 which was included in the contract liabilities balance at the beginning of the year was US\$20,617,469 (2019: US\$15,825,219). Revenue recognised in 2020 from performance obligation satisfied in previous years was US\$147,423 (2019: US\$147,037).

As at year-end, the accrued payables to immediate holding company recognised under contract liabilities amounts to US\$7,951,005 (2019: US\$12,297,862).

13 LEASES LIABILITIES

	The Group and The Company	
	2020	2019
	US\$	US\$
Current	392,644	-
Non-current	<u>362,921</u>	-
	<u>755,565</u>	-

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2019	Non-cash changes		Cash flows	31 March 2020
	US\$	Accretion of Interest US\$	Others US\$	US\$	US\$
Liabilities					
Lease liabilities					
- Current	-	46,332	661,331	(315,019)	392,644
- Non-current	-	-	362,921	-	362,921
	<u>-</u>	<u>46,332</u>	<u>1,024,252</u>	<u>(315,019)</u>	<u>755,565</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

14 DEFERRED TAXATION

	The Group and The Company	
	2020	2019
	US\$	US\$
At beginning of year	64,012	66,703
Translation difference	525	(2,691)
Balance at end of year	<u>64,537</u>	<u>64,012</u>
Excess of net book value over tax written down value of plant and equipment	<u>-</u>	<u>376,541</u>

The deferred tax liability arose wholly from the temporary differences between the carrying amount and the tax base values of plant and equipment.

15 SHARE CAPITAL

	The Company			
	2020		2019	
	No. of shares	US\$	No. of shares	US\$
Ordinary shares issued and fully paid:				
At beginning and end of year	<u>250,000</u>	<u>136,525</u>	<u>250,000</u>	<u>136,525</u>

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

16 CAPITAL CONTRIBUTION

	The Group and The Company	
	2020	2019
	US\$	US\$
At beginning of year	2,876,090	2,058,975
Addition during the year	739,259	817,115
Balance at end of year	<u>3,615,349</u>	<u>2,876,090</u>

Oracle Corporation, the Ultimate Holding Company and Oracle Financial Services Software Limited, the Immediate Holding Company of the Group and the Company has extended its stock option program to selected employees of the Company's overseas subsidiaries and branches. Contribution from the Ultimate and Immediate Holding Company represents the fair value of equity-settled transactions; calculated at the date when the grant is made using an appropriate valuation model and recognised over the period in which the performance and/or service conditions are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

17 RETAINED EARNINGS

The movements in retained profits for the Company are as follows:

	2020	2019
	US\$	US\$
At beginning of the year	16,354,469	21,960,821
Total of comprehensive loss for the year	<u>(5,259,373)</u>	<u>(5,606,352)</u>
At end of the year	<u>11,095,096</u>	<u>16,354,469</u>

The movements in retained profits for the Group are shown in the Consolidated Statement of Changes in Equity.

18 REVENUE

Revenue represents the license fees, product maintenance and consultancy services rendered. Significant category of revenue during the year is as follow:

	The Group	
	2020	2019
	US\$	US\$
Consulting	99,009,828	104,929,362
Licenses	22,656,795	26,893,216
Support	<u>45,219,426</u>	<u>42,351,256</u>
	<u>166,886,049</u>	<u>174,173,834</u>

Majority of the revenue are recognised over time, with revenue recognised point in time contributing 14% of total revenue.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Where the license is required to be substantially customised as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage of completion method as the implementation is performed.

Product maintenance revenue is recognised rateably over the period of contract.

Revenue from fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measure or collectability of consideration is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hour incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognised as services are performed.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

19 OTHER INCOME

	The Group	
	2020	2019
	US\$	US\$
Interest income	34,853	44,468
Other income	-	59,256
	<u>34,853</u>	<u>103,724</u>

20 ADMINISTRATIVE EXPENSES

	The Group	
	2020	2019
	US\$	US\$
Administrative expenses include the following:		
Office rental	143,816	568,416
Penalties and fines*	3,378,146	-
Professional fees	1,039,830	2,136,326
Staff costs (Note 21)	35,515,207	40,121,052
Travelling expenses	<u>3,230,830</u>	<u>3,009,922</u>

* Included in penalties and fines are estimated interest expenses amounting to US\$3,377,867 incurred for the tax payable related to transfer pricing transactions (Note 24).

21 STAFF COSTS

	The Group	
	2020	2019
	US\$	US\$
Wages, salaries and related costs	33,401,516	37,641,440
Defined contribution pension costs	1,374,432	1,662,497
Employees stock compensation charge	739,259	817,115
	<u>35,515,207</u>	<u>40,121,052</u>

Included above are key management personnel compensation (Note 25).

22 FINANCE COSTS

	The Group	
	2020	2019
	US\$	US\$
Interest on lease liability	<u>46,332</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

23 OTHER OPERATING EXPENSES

	The Group	
	2020	2019
	US\$	US\$
Depreciation	357,722	287
Doubtful debts expenses	164,680	60,353
Foreign exchange loss	309,886	407,872
	<u>832,288</u>	<u>468,512</u>

24 TAXATION

Major components of income tax expense are as follows:

	The Group	
	2020	2019
	US\$	US\$
Current income tax:		
- Singapore	802,863	1,292,235
- Foreign	405,612	(250,237)
Over provision of prior years' tax	(4,605,244)	-
Under provision of prior years' tax - transfer pricing*	5,758,847	-
Foreign tax credit	(636,098)	-
Foreign withholding tax	5,990,408	5,168,527
	<u>7,716,387</u>	<u>6,210,525</u>

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	The Group	
	2020	2019
	US\$	US\$
Profit before taxation	<u>2,278,923</u>	<u>445,330</u>
Tax expense on profit before tax at 17%	387,417	75,706
Adjustments:		
Different tax rates of other countries	398,036	(719,990)
Foreign withholding tax	5,990,408	5,168,527
Non-deductible expenses	2,323,610	2,240,075
Non-taxable income	(1,890,666)	(139,629)
Over provision of prior years' tax	(4,605,244)	-
Under provision prior years' tax - transfer pricing*	5,758,847	-
Tax exemption and relief	(708,028)	(418,984)
Utilised tax losses brought forward	22,113	-
Others	39,896	4,820
Tax expense	<u>7,716,387</u>	<u>6,210,525</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

24 TAXATION - cont'd

* During the financial year 2020, the Group and the Company have reassessed its estimates of uncertain corporate tax positions related to transfer pricing transactions in Singapore and other jurisdictions. Based on this reassessment for the period ended 31 March 2020, the Group and the Company have recorded net tax expense of US\$2.38M, which includes charge of US\$2.20M pertaining to earlier years transfer pricing transactions. Consequent to the tax expense, the Group and the Company also recognised the related interest expense of US\$3.38M, which pertains to earlier years which has been disclosed as part of penalties and fines.

The current tax liabilities amounting to US\$3.67M includes instalments and payments in advance for the income tax in difference jurisdictions arise for the financial year ended 31 March 2020.

25 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related party transactions on terms agreed between the Group, the Company and its related parties are as follows:

	The Group and The Company	
	2020	2019
	US\$	US\$
Immediate Holding Company		
Purchases (Cost of services rendered and expenses)	118,174,170	122,832,029
Sales	(559,769)	(737,121)
Staff cost to	(71,101)	(3,650,951)
Other operating expenses to	<u>(1,005,904)</u>	<u>(5,490,137)</u>
Subsidiary Company		
Fund transfer	<u>2,808</u>	<u>23,794</u>
Related Companies		
Purchases (Cost of services rendered and expenses)	6,205,540	4,683,815
Sales	(126,343,314)	(135,758,681)
Management fees from	128,787	906,696
Office rental (Facilities service agreement) from	<u>472,932</u>	<u>544,526</u>

Balances with related parties at the reporting date are set out in Note 7, 8 and 11.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

25 SIGNIFICANT RELATED PARTIES TRANSACTIONS - cont'd

Key management personnel compensation

Director's compensation and benefits is as follows:

	The Group and the Company	
	2020	2019
	US\$	US\$
Defined contribution pension costs	9,081	9,401
Director fees	130,960	132,499
Employee stock options	-	776
Others	2,864	2,894
Salaries and bonuses	94,580	92,255
	<u>237,485</u>	<u>237,825</u>

Facilities Service Agreement

During the year, the Group and the Company rented facilities managed by companies within the Oracle Corporation group. Rental during the year is US\$472,932 (2019: US\$544,526).

26 OPERATING LEASE COMMITMENT

Rental expenses (principally for office) for the Group and Company were US\$143,816 (2019: US\$568,416). The leases have varying terms, escalation clauses and renewal rights. Future minimum rental under non-cancelable leases contracted for at reporting date but not recognised as liabilities are as follow as at 31 March 2020:

	The Group and The Company	
	2020	2019
	US\$	US\$
Payable within 1 year	-	442,849
Payable within 2 - 5 years	-	605,780
	<u>-</u>	<u>1,048,629</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

27 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	The Group		The Company	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Financial Assets				
Loans and receivables:				
Trade receivables	31,589,360	37,728,548	31,589,360	37,728,548
Other receivables	211,188	458,760	211,188	458,760
Contract assets	9,393,856	15,846,498	9,393,856	15,846,498
Cash and cash equivalents	<u>18,722,028</u>	<u>11,217,149</u>	<u>18,629,176</u>	<u>11,116,648</u>
	<u>59,916,432</u>	<u>65,250,955</u>	<u>59,823,580</u>	<u>65,150,454</u>
Financial Liabilities				
Financial liabilities measured at amortised cost:				
Trade and other payables	30,405,908	26,352,899	30,403,099	26,349,949
Lease liabilities	<u>755,565</u>	<u>-</u>	<u>755,565</u>	<u>-</u>
	<u>31,161,473</u>	<u>26,352,899</u>	<u>31,158,664</u>	<u>26,349,949</u>

28 FINANCIAL RISK MANAGEMENT

The Group and the Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks which are executed by the management team. It is, and has been throughout the current and previous financial year, the Group and the Company's policy that no trading in derivatives for speculative purpose shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

28.1 Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company's exposure to credit risk arises primarily from trade receivables, other receivables and contract assets. For other financial assets (including investment securities and cash), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd**28.1 Credit Risk - cont'd**

The Group and the Company has adopted a policy of only dealing with creditworthy counterparties. The Group and the Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group and the Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

To minimise credit risk, the Group and the Company has developed and maintained the Group and the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group and the Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd

28.1 Credit Risk - cont'd

The Group and the Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL - not credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group and the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
		US\$	US\$	US\$
2020				
	Lifetime ECL (simplified)			
Trade receivables		32,610,448	(1,021,088)	31,589,360
Other receivables	12-month ECL	211,188	-	211,188
Contract assets	12-month ECL	9,393,856	-	9,393,856
			<u>(1,021,088)</u>	
2019				
	Lifetime ECL (simplified)			
Trade receivables		38,347,563	(619,015)	37,728,548
Other receivables	12-month ECL	458,760	-	458,760
Contract assets	12-month ECL	15,846,498	-	15,846,498
			<u>(619,015)</u>	

Trade Receivables

For trade receivables, the Group and the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Information regarding loss allowance movement of trade receivables is disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd

28.1 Credit Risk - cont'd

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

As at year-end, approximately 79.12% (2019: 80.76%) of the trade receivables are due from related companies.

Exposure to Credit Risk

The Group and the Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

See Note 8 for more disclosure on credit risk.

28.2 Liquidity Risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities. The Group and the Company finances its working capital requirements through a combination of funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of Financial Instruments by Remaining Contractual Maturities

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd

28.2 Liquidity Risk - cont'd

The Group

2020	Within 1 year US\$	Within 2 to 5 years US\$	Total US\$
Financial Assets			
Trade and other receivables	31,800,548	-	31,800,548
Cash and cash equivalents	18,722,028	-	18,722,028
Contract assets	9,393,856	-	9,393,856
Total undiscounted financial assets	<u>59,916,432</u>	<u>-</u>	<u>59,916,432</u>
Financial Liabilities			
Trade and other payables	30,405,908	-	30,405,908
Lease liabilities	392,644	362,921	755,565
Total undiscounted financial liabilities	<u>30,798,552</u>	<u>362,921</u>	<u>31,161,473</u>
Total net undiscounted financial assets/(liabilities)	<u>29,117,880</u>	<u>(362,921)</u>	<u>28,754,959</u>
2019			
Financial Assets			
Trade and other receivables	38,187,308	-	38,187,308
Cash and cash equivalents	11,217,149	-	11,217,149
Contract assets	15,846,498	-	15,846,498
Total undiscounted financial assets	<u>65,250,955</u>	<u>-</u>	<u>65,250,955</u>
Financial Liabilities			
Trade and other payables	26,352,899	-	26,352,899
Total undiscounted financial liabilities	<u>26,352,899</u>	<u>-</u>	<u>26,352,899</u>
Total net undiscounted financial assets	<u>38,898,056</u>	<u>-</u>	<u>38,898,056</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd

28.2 Liquidity Risk - cont'd

The Company

2020	Within 1 year US\$	Within 2 to 5 years US\$	Total US\$
Financial Assets			
Trade and other receivables	31,800,548	-	31,800,548
Cash and cash equivalents	18,629,176	-	18,629,176
Contract Assets	9,393,856	-	9,393,856
Total undiscounted financial assets	<u>59,823,580</u>	<u>-</u>	<u>59,823,580</u>
Financial Liabilities			
Trade and other payables	30,403,099	-	30,403,099
Lease liabilities	392,644	362,921	755,565
Total undiscounted financial liabilities	<u>30,795,743</u>	<u>362,921</u>	<u>31,158,664</u>
Total net undiscounted financial assets/(liabilities)	<u>29,027,837</u>	<u>(362,921)</u>	<u>28,664,916</u>
2019			
Financial Assets			
Trade and other receivables	38,187,308	-	38,187,308
Cash and cash equivalents	11,116,648	-	11,116,648
Contract assets	15,846,498	-	15,846,498
Total undiscounted financial assets	<u>65,150,454</u>	<u>-</u>	<u>65,150,454</u>
Financial Liabilities			
Trade and other payables	26,349,949	-	26,349,949
Total undiscounted financial liabilities	<u>26,349,949</u>	<u>-</u>	<u>26,349,949</u>
Total net undiscounted financial assets	<u>38,800,505</u>	<u>-</u>	<u>38,800,505</u>

28 FINANCIAL RISK MANAGEMENT - cont'd

28.3 Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

28.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Company is not exposed to interest rate risk as it does not have any financial instruments bearing variable interest rate as at the reporting date.

28.3.2 Foreign Currency Risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in currency other than the functional currency of the Company, primarily Australian Dollar (AUD), Singapore Dollar (SGD) and others.

The Group's exposure to major foreign currencies are as follows:

	AUD US\$	SGD US\$	Others US\$
2020			
Trade receivables	6,426,598	1,189,497	7,778,874
Other receivables	759,204	390,672	198,821
Contract assets	3,773,295	95,119	2,321,505
Cash and cash equivalents	4,308,923	2,096,565	10,385,189
Trade and other payables	<u>(6,793,575)</u>	<u>(3,054,885)</u>	<u>(4,787,546)</u>
	<u>8,474,445</u>	<u>716,968</u>	<u>15,896,843</u>
2019			
Trade receivables	7,472,934	736,386	11,293,696
Other receivables	1,017,985	758,463	263,326
Contract assets	3,562,794	72,303	6,883,307
Cash and cash equivalents	5,117,762	1,638,662	3,172,723
Trade and other payables	<u>(7,784,187)</u>	<u>(2,360,681)</u>	<u>(6,050,263)</u>
	<u>9,387,288</u>	<u>845,133</u>	<u>15,562,789</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd

28.3 Market Risk - cont'd

28.3.2 Foreign Currency Risk - cont'd

The Company's exposure to major foreign currencies are as follows:

	AUD US\$	SGD US\$	Others US\$
2020			
Trade receivables	6,426,598	1,189,497	7,778,874
Other receivables	759,204	390,672	198,821
Contract assets	3,773,295	95,119	2,321,505
Cash and cash equivalents	4,308,923	2,003,713	10,385,189
Trade and other payables	<u>(6,793,573)</u>	<u>(3,052,078)</u>	<u>(4,787,546)</u>
	<u>8,474,447</u>	<u>626,923</u>	<u>15,896,843</u>
2019			
Trade receivables	7,472,934	736,386	11,293,696
Other receivables	1,017,985	758,463	263,326
Contract assets	3,562,794	72,303	6,883,307
Cash and cash equivalents	5,117,762	1,538,164	3,172,723
Trade and other payables	<u>(7,784,187)</u>	<u>(2,357,731)</u>	<u>(6,050,263)</u>
	<u>9,387,288</u>	<u>747,585</u>	<u>15,562,789</u>

Sensitivity analysis

A 10% strengthening of United States Dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The Group

	Profit or loss (before tax) US\$
2020	
Australian Dollar	(847,445)
Singapore Dollar	(71,697)
Others	<u>(1,589,684)</u>
	<u>(2,508,826)</u>
2019	
Australian Dollar	(938,729)
Singapore Dollar	(84,513)
Others	<u>(1,556,279)</u>
	<u>(2,579,521)</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

28 FINANCIAL RISK MANAGEMENT - cont'd

28.3 Market Risk - cont'd

28.3.2 Foreign Currency Risk - cont'd

Sensitivity analysis - cont'd

The Company

	Profit or loss (before tax) US\$
2020	
Australian Dollar	(847,445)
Singapore Dollar	(62,692)
Others	(1,589,684)
	<u>(2,499,821)</u>
2019	
Australian Dollar	(938,729)
Singapore Dollar	(74,759)
Others	(1,556,279)
	<u>(2,569,767)</u>

A 10% weakening of United States Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

29 FAIR VALUE

Cash and Cash Equivalents, Other Receivables and Other Payables

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

Trade Receivables and Trade Payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Amount due from Immediate Holding and Related Companies

The carrying amounts due from immediate holding and related companies approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

30 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group and the Company's financial statements requires management to make judgements, 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.

The key assumptions and estimate at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities are described below. These assumptions and estimates are based on available parameters as on the date of preparation of the financial statements. These assumptions and estimate, however, may change due to market changes and circumstances that are beyond the controls of the Company.

30.1 Key Sources of Estimation Uncertainty**Depreciation of Property, Plant and Equipment**

The Group and the Company's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

Income Tax Liabilities

The Group and the Company have exposure to income taxes in various countries. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group and the Company's tax payable and deferred tax as at 31 March 2020 were US\$3,669,183 (2019: US\$713,814) and US\$64,536 (2019: US\$64,012) respectively.

Warranty

The provision for warranty claims represents the value of the management's best estimate of the future outflow of economic benefits that will be required. In the opinion of the management, no provision for warranty shall be provided as there is no probable outflow of economic benefits required to settle the obligation based on the Group and the Company's experience.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

30 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - cont'd**30.1 Key Sources of Estimation Uncertainty - cont'd****Allowance for Expected Credit Losses of Trade Receivables**

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 8.

The carrying amount of the Group's and the Company's trade receivables as at 31 March 2020 were US\$31,589,360 (2019: US\$37,728,548).

Revenue Recognition

The Group and the Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables. The Group and the Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time, including relevant cut-off at period end dates.

In determining the transaction price for the contract, judgement is required to assess if the consideration is fixed or is considered variable and whether there is any constraint on such variable consideration such as volume discounts, service level credits and price concessions. The Group and the Company uses judgement to determine an appropriate standalone selling price for each performance obligation and allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract except for sale of software licenses, where the Group and the Company uses a residual approach for estimating the standalone selling price of software license as the pricing is highly variable.

Contract fulfilment costs are generally expensed as incurred except for certain contract costs which meet the criteria for capitalisation. Such costs are amortised over the benefit period. The assessment of this criteria requires the application of judgement.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

30 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - cont'd

30.1 Key Sources of Estimation Uncertainty - cont'd

Revenue Recognition - cont'd

A significant part of the Company's revenue relates to transactions with related parties. The Company has with effect from 1 April 2018, amended its commercial arrangement with its related companies without modifying the substance of the arrangements and functions undertaken by the Company and its related companies. As at the reporting date approximately 75.71% (2019: 77.94%) are revenue earned with related companies.

31 CAPITAL MANAGEMENT

The Group and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

The gearing ratios at 31 March were as follows:

	The Group		The Company	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Total trade and other payables and lease liabilities	50,304,999	51,782,554	50,302,190	51,779,604
Less: Cash and equivalents	(18,722,028)	(11,217,149)	(18,629,176)	(11,116,648)
Net debts	31,582,971	40,565,405	31,673,014	40,662,956
Total equity	10,682,774	15,963,899	10,592,731	15,866,348
Total capital	<u>42,265,745</u>	<u>56,529,304</u>	<u>42,265,745</u>	<u>56,529,304</u>
Gearing ratio	<u>0.75</u>	<u>0.72</u>	<u>0.75</u>	<u>0.72</u>

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 March 2020 and 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

32 PROVISION FOR LEAVE

	The Group	
	2020	2019
	US\$	US\$
Leave encashment	<u>2,171,777</u>	<u>2,319,203</u>

The Group and the Company operate compensated absences: defined benefit plan for qualifying employees. Under the plans, the employees are entitled to leave encashment an amount equivalent to a day's wages multiplied by the unused leaves. No other post-retirement benefits are provided to these employees.

Prior year actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by Independent Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Actuarial Cost Method.

Current financial year valuation for leave encashment was based on management assessment with the guidance of "Accounting Standard (AS) 15 Employee Benefits" issued in India.

The principal actuarial assumptions used were as follows:

	As per IALM (2006-08)	
	(modified) ult table	
	2020	2019
Mortality table		
Salary escalation rate	2.00%	2.00%
Discounting rate	1.10%	1.94%

Amounts recognised in statement of profit or loss and other comprehensive income in respect of these defined benefit plans are as follows:

	2020	2019
	US\$	US\$
Amount charged to profit or loss	<u>(147,426)</u>	<u>1,419,008</u>

The amount recognised in the statement of financial position in respect of these defined benefit plans are as follows:

	2020	2019
	US\$	US\$
Defined benefits obligation		
Leave encashment provision	<u>2,171,777</u>	<u>2,319,203</u>
Liability recognised in the statement of financial position	<u>2,171,777</u>	<u>2,319,203</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

32 PROVISION FOR LEAVE - cont'd

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2020	2019
	US\$	US\$
Opening defined benefit obligation	2,319,203	900,195
Benefits paid	(540,247)	(793,580)
Obligation made during the year	392,821	2,212,588
Closing defined benefit obligation	<u>2,171,777</u>	<u>2,319,203</u>

33 EXPLANATION OF ADOPTION OF NEW STANDARD

The Group and the Company applied FRS 116 Leases, which is mandatorily effective for the annual periods beginning on or after 1 April 2019.

34 OTHER MATTER

An outbreak of the Coronavirus Disease (Covid-19) had been reported to the World Health Organisation in China on 31 December 2019. On 31 January 2020, the World Health Organisation announced the Covid-19 outbreak as a global health emergency. On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. The Covid-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

The Group and the Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying value of trade receivables, contract assets and investment in subsidiary which are not significant to the financial statements for the year ended 31 March 2020. In assessing the recoverability of these assets, the Group and the Company have used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of Covid-19 on the Group and the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Group and the Company will continue to monitor any material impact due to changes in future economic conditions.