

**ORACLE FINANCIAL SERVICES
CONSULTING PTE. LTD.**

(Incorporated in the Republic of Singapore)
(Registration Number. 200005170D)

**FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2020**

ORACLE FINANCIAL SERVICES CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Directors

Avadhut Digambar Ketkar
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

Banker

Citibank Singapore Ltd

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DIRECTORS' STATEMENT

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

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, as the penultimate holding company has given written confirmation of its continuing financial support for the Company, 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:

Avadhut Digambar Ketkar
Wong Gen Kown

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND 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' INTERESTS 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 Corporation - Oracle Corporation		
Name of Director		
Wong Gen Kown	33	66

DIRECTORS' STATEMENT

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

	Direct interest	
	At beginning of year	At end of year
Penultimate Holding Corporation - Oracle Financial Services Software Limited		
Name of Directors		
Avadhut Digambar Ketkar	18,568	18,568

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.

THE BOARD OF DIRECTORS

.....
Avadhut Digambar Ketkar
Director

.....
Wong Gen Kown
Director

Singapore,
7 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ORACLE FINANCIAL SERVICES CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the financial statements with respect to the Company's ability to continue as a going concern. As of reporting date, the Company incurred a net loss of S\$30,929 during the year ended 31 March 2020 and, as of that date, current liabilities exceeded its current assets by S\$4,862,748, 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 on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matters.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ORACLE FINANCIAL SERVICES CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

Other Information - cont'd

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.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ORACLE FINANCIAL SERVICES CONSULTING PTE. LTD.

(Incorporated in the Republic of Singapore)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 S\$	2019 S\$
ASSETS LESS LIABILITIES			
Current Assets			
Cash and cash equivalents	3	<u>132,248</u>	<u>136,292</u>
Current Liabilities			
Other payables	4	<u>4,994,996</u>	<u>4,968,111</u>
Net Current Liabilities		<u>(4,862,748)</u>	<u>(4,831,819)</u>
Net Liabilities		<u>(4,862,748)</u>	<u>(4,831,819)</u>
Capital and reserves attributable to equity holders of the Company			
Share capital	5	16,185,170	16,185,170
Accumulated losses		<u>(21,047,918)</u>	<u>(21,016,989)</u>
		<u>(4,862,748)</u>	<u>(4,831,819)</u>

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

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

	Note	2020 S\$	2019 S\$
Continuing Operations			
Other income	6	41	140
Administration expenses	7	<u>(30,970)</u>	<u>(24,028)</u>
Loss before taxation		(30,929)	(23,888)
Taxation	8	<u>-</u>	<u>-</u>
Loss from continuing operations		<u>(30,929)</u>	<u>(23,888)</u>
Loss for the year		<u><u>(30,929)</u></u>	<u><u>(23,888)</u></u>
Total comprehensive loss		<u><u>(30,929)</u></u>	<u><u>(23,888)</u></u>
Loss attributable to:			
Equity holders of the Company		<u><u>(30,929)</u></u>	<u><u>(23,888)</u></u>
Total comprehensive loss attributable to:			
Equity holders of the Company		<u><u>(30,929)</u></u>	<u><u>(23,888)</u></u>

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

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

	Share Capital S\$	Accumulated Losses S\$	Total S\$
As at 1 April 2019	16,185,170	(20,993,101)	(4,807,931)
Total comprehensive loss for the year	<u>-</u>	<u>(23,888)</u>	<u>(23,888)</u>
As at 31 March 2019	16,185,170	(21,016,989)	(4,831,819)
Total comprehensive loss for the year	<u>-</u>	<u>(30,929)</u>	<u>(30,929)</u>
As at 31 March 2020	<u>16,185,170</u>	<u>(21,047,918)</u>	<u>(4,862,748)</u>

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(30,929)	(23,888)
Adjustments for:		
Foreign exchange loss - unrealised	26,885	19,906
Interest income	(41)	(140)
Operating loss before working capital changes	(4,085)	(4,122)
Working capital changes, excluding changes related to cash:		
Other payables	-	-
Cash used in from operations	(4,085)	(4,122)
Interest received	41	140
Net cash used in operating activities	(4,044)	(3,982)
CASH FLOWS FROM FINANCING ACTIVITY		
Amount due to immediate holding company - non-trade	-	(27,379)
Net cash flows used in financing activity	-	(27,379)
Net decrease in cash and cash equivalents	(4,044)	(31,361)
Cash and cash equivalents at beginning of year	136,292	167,653
Cash and cash equivalents at end of year (Note 3)	132,248	136,292

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

The principal activities of the Company are the provision of computer system integrated services and consultancy related services. The Company has ceased trading operation since financial year 2013. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding company is Oracle Financial Services Software Pte. Ltd., a company incorporated in Singapore. The ultimate holding company is Oracle Corporation, a company incorporated in the United States of America.

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 Singapore Dollars (SGD or S\$), which is also the functional currency of the Company, and it have been prepared on the basis that the Company is a going concern as the penultimate holding company has given written confirmation of its continuing financial support for the Company.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company'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.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.1 Basis of Preparation - cont'd

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 Company does not plan to early adopt these standards.

The Company has not adopted the following standards that have been issued but not yet effective:

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
Amendments to FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 Apr 2020
FRS 117 Insurance Contracts	1 Apr 2021

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

2.2 Going Concern

The Company incurred a net loss during the year ended 31 March 2020 and, as of that date, 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 Company's ability to continue as a going concern.

The financial statements have been prepared on the basis that the Company is a going concern as the penultimate holding company has given written confirmation of its continuing financial support for the Company. The ability of the 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 penultimate holding company 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 Company is able to generate sufficient cash flows from its operations to meet its current and future obligations.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Going Concern - cont'd

If the financial support is not forthcoming and as a result, the Company 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 Company 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 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 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.

2.4 Impairment of Non-Financial Assets

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

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

Impairment losses are recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.5 Related Parties**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to 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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7 Financial Instruments

2.7.1 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 Company measures a financial asset at its fair value plus, in the case of a 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 receivables are measured at the amount of 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 party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on 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 Company only has debt instruments at amortised cost.

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.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, 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. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7 Financial Instrument - cont'd

2.7.1 Financial Assets - cont'd

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.

2.7.2 Financial Liabilities

Initial Recognition and Measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at 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 other payables.

Derecognition

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

2.8 Impairment of Financial Assets

The 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Impairment of Financial Assets - cont'd

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 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 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 Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

2.9 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.

2.10 Leases

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

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.

2.10.1 As lessee

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.10 Leases - cont'd

2.10.1 As lessee - cont'd

Right-of-Use Assets

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 2.4.

Lease Liabilities

At the commencement date of the lease, 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.

In calculating the present value of lease payments, 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.10 Leases - cont'd

2.10.1 As lessee - cont'd

Short-Term Leases and Leases of Low-Value Assets

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.

2.10.2 As lessor

Leases in which 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 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.

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

2.10.3 As lessee

Finance lease which transfer to 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.

2.10.4 As lessor

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.11 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 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.

2.11.1 Rendering of Services

Revenue from sale of goods and services in the ordinary course of business is recognised when the Company satisfies a performance obligation ("PO") by transferring control of a promised good and service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods and services. The individual standalone selling price of a good and service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

2.11.2 Interest Income

Interest income is measured using the effective interest method.

2.12 Employee Benefits

2.12.1 Defined Contribution Plans

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**2.12 Employee Benefits - cont'd****2.12.2 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 Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Taxes**2.13.1 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.

2.14 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 CASH AND CASH EQUIVALENTS

	2020	2019
	S\$	S\$
Cash at bank	<u>132,248</u>	<u>136,292</u>

4 OTHER PAYABLES

	2020	2019
	S\$	S\$
Accruals	4,000	4,000
Amount due to immediate holding company - non-trade	<u>4,990,996</u>	<u>4,964,111</u>
	<u>4,994,996</u>	<u>4,968,111</u>

Amount due to immediate holding company - non trade are unsecured, non-interest bearing and repayable on demand.

5 SHARE CAPITAL

	2020		2019	
	No. of	S\$	No. of	S\$
	shares		shares	
Ordinary shares issued and fully paid:				
At beginning and at end of year	<u>16,185,170</u>	<u>16,185,170</u>	<u>16,185,170</u>	<u>16,185,170</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.

6 OTHER INCOME

	2020	2019
	S\$	S\$
Interest income	<u>41</u>	<u>140</u>

7 ADMINISTRATION EXPENSES

Administration expenses include:

	2020	2019
	S\$	S\$
Foreign exchange loss - unrealised	26,885	19,906
Bank charges	<u>85</u>	<u>122</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

8 TAXATION

Major components of income tax expense are as follows:

	2020 S\$	2019 S\$
Current year taxation	<u>-</u>	<u>-</u>

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

	2020 S\$	2019 S\$
(Loss)/Profit before taxation	<u>(30,929)</u>	<u>(23,888)</u>
Income tax on loss before tax at 17%	(5,258)	(4,061)
Adjustments:		
Non-deductible expenses	5,265	4,085
Non-taxable income	<u>(7)</u>	<u>(24)</u>
Tax expense	<u>-</u>	<u>-</u>

Unrecognised deferred tax assets:

Deferred tax assets in respect of the following items have not been recognised in the financial statements as the probability of future taxable profits being available to utilise such benefits cannot be reliably established:

	2020 S\$	2019 S\$
Unutilised capital allowances	73,246	73,246
Unutilised tax losses	<u>3,317,648</u>	<u>3,317,648</u>
	<u>3,390,894</u>	<u>3,390,894</u>

The Company's unutilised capital allowances and tax losses are available for offset against future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the Singapore Income Tax Act, Chapter 134.

9 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related party transactions on terms agreed between the Company and its related party is as follows:

	2020 S\$	2019 S\$
Holding Company		
Repayment of payable to	<u>(4,000)</u>	<u>(32,267)</u>

Balances with related party at the reporting date are set out in Note 4.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

10 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:

	2020 S\$	2019 S\$
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	<u>132,248</u>	<u>136,292</u>
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Other payables	<u>4,994,996</u>	<u>4,968,111</u>

11 FINANCIAL RISK MANAGEMENT

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 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.

11.1 Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. As there are no trade receivables and cash and bank balances are placed with reputable financial institution, the company has no exposure to credit risk.

11.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent.

No maturity analysis is presented as all financial assets and liabilities are due within 12 months.

11.3 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

11 FINANCIAL RISK MANAGEMENT - cont'd

11.3 Market Risk - cont'd

11.3.1 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.

11.3.2 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 United State Dollar (USD).

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

	United States Dollar S\$
2020	
Other payables	(594,674)
2019	
Cash and cash equivalents	4
Other payables	(624,567)
	<u>(624,563)</u>

Sensitivity analysis

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

11 FINANCIAL RISK MANAGEMENT - cont'd**11.3 Market Risk - cont'd****11.3.2 Foreign Currency Risk - cont'd***Sensitivity analysis - cont'd*

	Profit or loss (before tax) S\$
2020	
United States Dollar	<u>59,467</u>
2019	
United States Dollar	<u>62,456</u>

A 10% weakening of Singapore Dollar against the above currency 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.

12 FAIR VALUE*Cash and Cash Equivalents and Other Payables*

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

13 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard 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 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2020

13 CAPITAL MANAGEMENT - cont'd

The gearing ratios at 31 March were as follows:

	2020	2019
	S\$	S\$
Total other payables	4,994,996	4,968,111
Less: Cash and cash equivalents	<u>(132,248)</u>	<u>(136,292)</u>
Net debts	4,862,748	4,831,819
Total equity	<u>(4,862,748)</u>	<u>(4,831,819)</u>
Total capital	<u><u>-</u></u>	<u><u>-</u></u>
Gearing ratio	<u><u>-</u></u>	<u><u>-</u></u>

The Company does not have any externally imposed capital requirements for the financial year ended 31 March 2020 and 31 March 2019.

14 EXPLANATION OF ADOPTION OF NEW STANDARD

The Company applied FRS 116 Leases, which is mandatorily effective for the annual periods beginning on or after 1 April 2019. The application of this standard and interpretation does not have a material effect on the financial statements.

15 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 Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the fair values of the Company's financial and non-financial assets and liabilities, which are not significant to the financial statements for the year ended 31 March 2020. In assessing the recoverability of these assets, 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 Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material impact due to changes in future economic conditions.