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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DHAMPUR INTERNATIONAL PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **DHAMPUR INTERNATIONAL PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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 financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DHAMPUR INTERNATIONAL PTE. LTD. – cont'd**

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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.
- (c) 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 MEMBERS OF
DHAMPUR INTERNATIONAL PTE. LTD. – cont'd**

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

- (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 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.
- (e) 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 Requirement

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.

**RAMA & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

Date: 27 April 2018



DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	<u>Note</u>	<u>2018</u> <u>US\$</u>	<u>2017</u> <u>US\$</u>
ASSETS			
Non-current assets:			
Plant and equipment	(7)	<u>493,036</u>	<u>145,110</u>
Total non-current assets		<u>493,036</u>	<u>145,110</u>
Current assets:			
Cash and bank balances	(8)	<u>5,568,214</u>	<u>1,428,523</u>
Trade and other receivables	(9)	<u>5,023,205</u>	<u>2,041,916</u>
Other current assets	(10)	<u>10,612</u>	<u>5,684</u>
Total current assets		<u>10,602,031</u>	<u>3,476,123</u>
Total assets		<u><u>11,095,067</u></u>	<u><u>3,621,233</u></u>
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	(11)	<u>2,007,609</u>	<u>2,007,609</u>
Share application money	(11a)	<u>4,000,000</u>	<u>-</u>
Accumulated losses		<u>(3,112,640)</u>	<u>(3,148,982)</u>
Total equity/(Capital deficiency)		<u>2,894,969</u>	<u>(1,141,373)</u>
Non-current liabilities:			
Finance leases	(12)	<u>275,482</u>	<u>48,855</u>
Current liabilities:			
Current portion of finance leases	(12)	<u>73,950</u>	<u>26,470</u>
Trade and other payables	(13)	<u>7,850,666</u>	<u>4,687,281</u>
Total current liabilities		<u>7,924,616</u>	<u>4,713,751</u>
Total liabilities		<u>8,200,098</u>	<u>4,762,606</u>
Total equity and liabilities		<u><u>11,095,067</u></u>	<u><u>3,621,233</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	<u>Note</u>	<u>2018</u> <u>US\$</u>	<u>2017</u> <u>US\$</u>
Revenue	(14)	14,137,201	11,539,032
Cost of goods sold		<u>(13,090,164)</u>	<u>(10,862,531)</u>
Gross profit		1,047,037	676,501
Other income	(15)	321,882	103,333
Marketing and distribution expenses		(87,057)	(110,890)
Administrative expenses		(1,056,666)	(1,585,709)
Finance costs	(16)	(5,962)	(1,958)
Other expenses		<u>(182,892)</u>	<u>(85,072)</u>
Profit/(Loss) before income tax		36,342	(1,003,795)
Income tax expense	(17)	<u>-</u>	<u>-</u>
Profit/(Loss) for the year	(18)	36,342	(1,003,795)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>36,342</u>	<u>(1,003,795)</u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Share capital US\$	Share Application Money US\$	Accumulated losses US\$	Total US\$
Balance as at 1 April 2016	2,007,609	-	(2,145,187)	(137,578)
Total comprehensive loss for the year	-	-	(1,003,795)	(1,003,795)
Balance as at 31 March 2017	2,007,609	-	(3,148,982)	(1,141,373)
Contribution for the year (Note 11(b))	-	4,000,000	-	4,000,000
Total comprehensive income for the year	-	-	36,342	36,342
Balance as at 31 March 2018	2,007,609	4,000,000	(3,112,640)	2,894,969

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u> US\$	<u>2017</u> US\$
Cash flows from operating activities:		
Profit/(Loss) before income tax	36,342	(1,003,795)
Adjustment for:		
Depreciation of plant and equipment	181,804	81,317
Interest income	(42,117)	(58,082)
Finance cost	5,962	1,958
	181,991	(978,602)
Operating profit/(loss) before working capital changes	181,991	(978,602)
Trade receivables	(2,861,676)	(714,036)
Other current assets	(4,928)	23,055
Trade payables	3,215,569	2,759,816
	530,956	1,090,233
Net cash from operating activities	530,956	1,090,233
Investing activities:		
Other receivables	(119,613)	1,390,929
Acquisition of plant and equipment	(204,546)	(17,428)
Interest income	42,117	58,082
	(282,042)	1,431,583
Net cash (used in)/from investing activities	(282,042)	1,431,583
Financing activities:		
Proceeds from share application	4,000,000	-
Interest expenses	(5,962)	(1,958)
Other creditors	(52,184)	(2,194,739)
Repayment of finance lease	(51,078)	(29,891)
	3,890,776	(2,226,588)
Net cash from/(used in) financing activities	3,890,776	(2,226,588)
Net increase in cash and bank balances	4,139,690	295,228
Cash and bank balances at beginning of year	1,428,524	1,133,295
Cash and bank balances at end of year	5,568,214	1,428,523

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

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

1. GENERAL

a) Corporate information

Dhampur International Pte. Ltd. ("the company") (Registration number: 200912388N) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

39 Amoy Street
Singapore 069865

The principal activities of the company are to carry on business of importers, exporters of white crystal sugar, ethyl acetate, ethyl alcohol and yellow soybeans.

b) Authorisation of financial statements for issue

The financial statements of the company for the period ended 31 March 2018 were authorised for issue by the Board of Directors on 27 April 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

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 assumption 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 revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting judgements estimates and assumptions used that are significant to the financial statements are areas involving a higher degree of judgements or complexity are disclosed in Note 4.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial period, the company has adopted all the new and revised FRSs issued by the ASC that are relevant to its operations and effective from beginning of period on 1 April 2017. The adoption of these new/revised FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements except as follows:

i) Amendments to FRS 7: Statement of Cash Flows: Disclosure Initiative

The amendments require new disclosure that enable users of the financial statements to evaluate changes in liabilities from financing activities in respect of:

- a) Changes from financing cash flows;
- b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
- c) The effect of changes in foreign exchange rates;
- d) Changes in fair values; and
- e) Other changes.

The above disclosure also applies in financial assets if cash flows from those financial assets are included in cash flows from financing activities. Comparatives are not required in the first year of adoption.

As this is a disclosure requirement, the application of the amendments has had no impact on the financial performance or financial position of the Company.

ii) Amendments to FRS 12: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses.

The amendments clarify that unrealized losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits, and when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deduction resulting from the reversal of those deductible temporary differences.

The application of the amendments has had no impact on the financial performance or financial position of the Company.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 104	Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 109	Amendments to FRS 109: Prepayment Features with Negative Compensation	1 January 2019
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Effective date of FRS 115	1 January 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
Improvements to FRSs: (December 2016)		
	INT FRS 122: Foreign Currency Transactions and Advance Consideration	1 January 2018
	INT FRS 123: Uncertainty over Income Tax Treatments	1 January 2019
Improvements to FRSs: (March 2018)		
	- Amendments to FRS 12 Income Taxes	1 January 2019

The company expect that the adoption of the above standards, will have no material impact on the financial statements in the period of initial application, except as described below:

i) FRS 109 – Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities, (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

i) FRS 109 – Financial Instruments – cont'd

Key requirements of FRS 109: (cont'd)

- Debt instruments that are held within business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition, in other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

i) FRS 109 – Financial Instruments – cont'd

Management anticipates that the company will need to account for expected credit losses and expects to use historical experience, modified by any future change such as credit risk of the customers. Additional disclosures may be made with respect to loans and receivables, including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the company's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

ii) FRS 115: Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

In June 2017, amendments to FRS 115 were issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also included two additional transition reliefs on contract modifications and completed contracts.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The company will be assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

iii) INT FRS 122: Foreign Currency Transactions and Advance Consideration

INT FRS 122 *Foreign Currency Transactions and Advance Considerations* considers how to determine the date of the transactions when applying the standard on foreign currency transactions, FRS 21 *The Effect of Changes in Foreign Exchange Rates*. The Interpretation applies where the company either pays or receives consideration in advance for foreign currency-denominated contracts.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

iii) INT FRS 122: Foreign Currency Transactions and Advance Consideration – cont'd

For single upfront payment / receipt, the Interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

The company is required to adopt a new financial reporting framework from 1 January 2018. The new financial reporting framework has similar requirements on INT FRS 122. The company does not expect a material impact on the financial statements upon adoption of the Interpretation.

2.3. Plant and Equipment

a) Measurement

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any.

b) Component of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is 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. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

c) Depreciation

Depreciation is calculated on the straight line method and to write off the cost of the assets over their estimated useful lives of three years as follows:

	<u>Years</u>
Furniture and fittings	3
Office equipments	3
Motor vehicles	5

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3. Plant and Equipment – cont'd

c) Depreciation – cont'd

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values and useful life plant and equipment are reviewed, and adjusted as appropriate, at each end of reporting period. The effects of any revision of the residual values and useful lives are included in the profit and loss statement for the financial period in which the changes arise.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the profit and loss statement during the financial period in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit and loss statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.4. Impairment of Non-Financial Assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4. Impairment of Non-Financial Assets – cont'd

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.5. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit nor taxable profit or loss.

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

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5. Income Taxes – cont'd

b) Deferred tax – cont'd

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

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

2.6. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and for the rendering of services in the ordinary course of the company's activities. Amounts disclosed as revenue are net of goods and services tax, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

a) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b) Interest income

Interest revenue is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

c) Government grant

Cash grants received from government are recognised as income upon receipt.

d) Consultancy fee

Revenue from consultancy services are recognised as revenue when the services are rendered.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6. Revenue Recognition – cont'd

e) Insurance claim

Revenue from insurance claim is recognised when an offer of settlement received from the insurer and the claim amount is virtually certain.

2.7. Foreign Currency Transactions

a) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the company operates i.e. functional currency, to be United States dollars. Revenue and major operating expenses are primarily influenced by fluctuations in United States dollars. The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

b) Foreign currency transactions

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 end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period are recognised in the statement of comprehensive income.

2.8. Provisions

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

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

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

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.9. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.10. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Finance leases

A finance lease is recognised as an asset and as liability in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased asset or, if lower, at the present value of the lease payments based on the interest rate implicit in the lease. The excess of the lease payments over the recorded lease obligations is treated as finance charged which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

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.

b) Operating leases

Operating leases are not recognised in the company's statement of financial position. Rentals payables under operating leases are charged to profit or loss statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.10. Leases – cont'd

Company as lessee

The company lease office premises and director accommodation under operating leases from non-related parties.

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

Contingent rents are recognised as an expense in the profit and loss statement when incurred.

2.11. Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

2.12. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

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

3.1. Financial Assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. There are no financial assets categories at fair value through profit and loss statement and held-to-maturity.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

a) Effective Interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial instruments “at fair value through statement of comprehensive income”.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within “trade and other receivables” and “cash and bank balances” on the statements of financial position.

i) Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade and other receivables. Trade and other receivables are measured at initial recognition at the fair value, and are subsequently measured at amortised cost using the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

ii) Cash and bank balances

Cash and bank balances comprise cash on hand and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

c) Impairment of financial assets – cont'd

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to statement of comprehensive income. Changes in the carrying amount of the allowance account are recognised in statement of comprehensive income.

d) Derecognition of financial assets

A financial asset is derecognised when:

- i) the company transfer the contractual rights to receive the cash flows of the financial asset; or
- ii) the company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a 'pass-through' arrangement; or
- iii) the company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the company's continuing involvement is the amount of the transferred asset that the company may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

3.2. Equity and Financial Liabilities

Classification as equity or debts

Equity instruments issued by the company and financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability. Financial liabilities are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity and Financial Liabilities – cont'd

Classification as equity or debts – cont'd

a) Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period.

b) Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provision for the financial instrument. The measurement of financial liabilities depends on their classification as either financial liabilities “at fair value through profit or loss” or “other financial liabilities at amortised costs”.

i) Financial liabilities at amortised cost

Financial liabilities are initially recognised at value plus directly attributable costs and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Financial liabilities at amortised cost are classified within “trade and other payables” and “finance leases” on the statement of financial position.

Other financial liabilities

Trade and other payables and finance leases are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in the statement comprehensive income.

d) Equity instruments

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

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity and Financial Liabilities – cont'd

Classification as equity or debts – cont'd

e) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical judgement in applying the company's accounting policies

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

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

i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and temporary differences to the extent that it is probable that taxable profit will be available against which the losses and temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 17 to the financial statement.

ii) Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the economic environment in which the company operate and process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

b) Key sources of estimation uncertainty

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

i) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charges and consequently affect the company's result. The carrying amount of plant and equipment as at 31 March 2018 was **US\$493,036** (2017: US\$145,110).

ii) Impairment of plant and equipment

The company assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

iii) Allowances for doubtful accounts

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in our customer payment terms when making a judgements to evaluate the adequacy of the allowance for doubtful accounts. At the end of the reporting period, the receivables are measured at fair value and their fair values might change materially within the next financial period but these changes would not arise from assumptions or other sources of estimates uncertainty at the end of the reporting period. The carrying amount of trade and other receivables as at 31 March 2018 was **US\$5,023,205** (2017: US\$2,041,916)

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

b) Key sources of estimation uncertainty – cont'd

iv) Impairment of other current assets

The company's management reviews other current assets on a regular basis to determine if any provision for impairment is necessary. The impairment loss on deposits, advance with staffs and other receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of purchase of goods or to receive the services according to the original terms of contracts. Significant financial difficulties of the deposit holder, probability that the deposit holder will enter in to bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the deposits and advance with supplier are impaired. Management reassesses the impairment of deposits and advance with suppliers at each reporting date.

v) Provisions

Provisions are recognised in accordance with the accounting policy in Note 2.8. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

vi) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

5.1. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors and the shareholders meet periodically to analyses, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are as follows:

The Company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

There has been no change to the nature of the company's exposure to financial risks or the manner in which it manages and measures the risk. Foreign currency risk and interest rate risk are measured using sensitivity analysis as indicated in respective sections.

a) Categories of financial assets and liabilities

The categories of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Financial assets		
Loans and receivables:		
- Trade and other receivables	5,023,205	2,041,916
- Cash and bank balances	5,568,214	1,428,523
	<u>10,591,419</u>	<u>3,470,439</u>
Financial liabilities		
At amortised costs:		
- Trade and other payables	7,850,666	4,687,281
- Finance leases	349,432	75,325
	<u>8,200,098</u>	<u>4,762,606</u>

Further quantitative disclosures are included throughout these financial statements.

b) Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to company resulting in a loss to the company. The company's objective is to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. Due to the nature of its customer base, the company's concentration of credit risk and exposure are limited to three customers.

i) Trade and other receivables

The company's trade receivable related to sale of commodities to third parties. It is the Company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The Company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis. At the end of the financial period, the Company has no significant concentration of credit risk.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

ii) Cash and bank balances

The company's cash and bank balances as detailed in Note 8 to the financial statements are held in major financial institutions, which are regulated and located in Singapore, which the management believes are of high credit quality. The main purpose of these financial instruments is to finance the company's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors' resolutions, with banking mandates, which define the permitted financial instruments, and facilities limits, all of which are approved by the Board of Directors. All financial transactions require dual signatories.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

Financial assets that are past due or impaired

There is no other class of financial assets that is past due and/or impaired.

c) Foreign current exchange rate risk

Foreign currency exchange rate risk arises from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The company trades mainly in the United States dollars, Great Britain Pounds and Euro dollars. The company also holds cash and bank balances in Singapore dollars for working capital purposes. Foreign currency exchange exposures are naturally hedged as both revenues and corresponding purchases are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates. However, exposure to foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level. Management believes that the foreign exchange risk is manageable.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Foreign current exchange rate risk – cont'd

The following table details the company's exposure at the end of reporting period to foreign currency exchange risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

<u>2018</u>	<u>Euro</u> <u>US\$</u>	<u>British</u> <u>pounds</u> <u>US\$</u>	<u>Singapore</u> <u>dollars</u> <u>US\$</u>
Financial assets:			
Trade and other receivables	-	4,014,677	20,865
Cash and bank balances	147,705	849,236	118,203
	<u>147,705</u>	<u>4,863,913</u>	<u>139,068</u>
Financial liabilities:			
Finance leases	-	-	(349,482)
Trade and other payables	(177,289)	-	-
	<u>(177,289)</u>	<u>-</u>	<u>(349,482)</u>
Net foreign currency exposures	<u>(29,584)</u>	<u>4,863,913</u>	<u>(210,414)</u>
<u>2017</u>	<u>Euro</u> <u>US\$</u>	<u>British</u> <u>pounds</u> <u>US\$</u>	<u>Singapore</u> <u>dollars</u> <u>US\$</u>
Financial assets:			
Trade and other receivables	-	1,459,017	129,802
Cash and bank balances	1,069	191,845	206,384
	<u>1,069</u>	<u>1,650,862</u>	<u>336,186</u>
Financial liabilities:			
Finance leases	-	-	(75,325)
Trade and other payables	-	(1,187,190)	-
	<u>-</u>	<u>(1,187,190)</u>	<u>(75,325)</u>
Net foreign currency exposures	<u>1,069</u>	<u>463,672</u>	<u>260,861</u>

Sensitivity analysis

The analysis is prepared assuming the amount of monetary assets and monetary liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 10% increase or decrease is used when reporting foreign exchange rate risk internally to key management personnel and represents management's assessment of the possible change in exchange rates.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Foreign current exchange rate risk – cont'd

Sensitivity analysis – cont'd

A 10% strengthening of United States dollars against the foreign currencies would increase profit or loss by the amount shown below:

<u>2018</u>	Euro US\$	British pounds US\$	Singapore dollars US\$
Increase in foreign currency impact	(2,958)	486,391	(21,041)
 <u>2017</u>	Euro US\$	British pounds US\$	Singapore dollars US\$
Increase in foreign currency impact	107	46,367	26,086

A 10% weakening of Singapore dollars against the above foreign 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.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items. In management's option, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

d) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company results in the current reporting period and in the future years.

The company is exposed to interest rate risk through the impact of the changes on interest bearing finance leases and demand deposits. The company's policy is to obtain most favourable interest rate available in the market. The interest rates and terms of repayment of finance lease are disclosed in Note 12 to the financial statements. Demand deposit earns interest as stated in Note 8 to the financial statements. The risk exposure is not significant as the interest income is not significant source of the company's income. Management believes that the interest rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate the risk.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

d) Interest rate risk – cont'd

Interest rate sensitivity

No interest rate sensitivity analysis has been prepared as the amount would be immaterial to the company.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

Interest rate sensitivity

No interest rate sensitivity analysis has been prepared as the amount would be immaterial to the company.

e) Liquidity risk

Liquidity risk refer to risk that the company will not have sufficient funds to pay their debts as and when they fall due.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of each reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to receive or pay.

	Effective interest rate (%)	Carrying amount	<u>Contractual undiscounted cash flows</u>				Total
			Within 1 year or repayable on demand	Within 2 to 5 years	More than 5 years		
2018		US\$	US\$	US\$	US\$	US\$	
Financial liabilities							
Trade and other payables		7,850,666	7,850,666	-	-	7,850,666	
Finance leases	3.587	349,432	84,618	324,025	-	408,643	
Total undiscounted financial liabilities		8,200,098	7,935,284	324,025	-	8,259,309	

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

e) Liquidity risk – cont'd

2017	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows				Total US\$
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	More than 5 years US\$		
Financial liabilities							
Trade and other payables	-	4,687,281	4,687,281	-	-	-	4,687,281
Finance leases	3.587	75,325	28,429	52,120	-	-	80,549
Total undiscounted financial liabilities		4,762,606	4,715,710	52,120	-	-	4,767,830

f) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Financial assets and liabilities

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables, finance leases, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

The company does not anticipate that the carrying amounts recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

5.2. Capital Risk Management Policies and Objectives

The company manages its share capital to ensure that it is able to continue as a going concern and maintains an optimal capital structure so as to maximize shareholder value.

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment to equity holders, return capital to equity holders, issue new shares, obtain new borrowings or redeem borrowings.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.2. Capital Risk Management Policies and Objectives – cont'd

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the period.

	<u>2018</u> US\$	<u>2017</u> US\$
Finance leases	349,432	75,325
Trade and other payables	7,850,666	4,687,281
Cash and bank balances	(5,568,214)	(1,428,523)
Net debt	2,631,884	3,334,083
Total equity	2,894,969	(1,141,373)
Total capital	5,526,853	2,192,710
 Gearing ratio	 48%	 N.M.

N.M. – Not meaningful.

The capital structure of the company's mainly consists of equity and net debts. The company reviews the capital structure from time to time and will continue to monitor economic conditions in which it operates and will make adjustments to its capital structure where necessary.

The company is not subject to any externally imposed capital requirements.

6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The company is a wholly subsidiary of Dhampur Sugar Mills Limited, incorporated in India which is also the company's ultimate holding company.

Related party relationship

FRS 24 defines a related party as an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family or any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The definition includes Parent Company, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. RELATED PARTY TRANSACTIONS – cont'd

Some of the company's transactions and arrangements are with its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The inter-company balances are unsecured, interest-free and repayable on demand.

a) During the financial year, the company entered into the following transaction with its holding company:-

	<u>2018</u> US\$	<u>2017</u> US\$
Purchases of goods	4,580,774	3,347,976
Sales of goods	<u>(1,022,785)</u>	<u>(1,218,786)</u>

Sales and purchases of goods to/from its holding company are made at prices, which are not materially different to those applicable to third party customers and suppliers.

b) Compensation of key management personnel

Key management personnel are directors, those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

The remuneration of key management personnel of the company during the financial period is as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
<u>Compensation paid to a director</u>		
- Remunerations	254,227	286,120
- CPF	<u>14,775</u>	<u>12,662</u>
	<u>269,002</u>	<u>298,782</u>

7. PLANT AND EQUIPMENT

	Furniture & Fittings	Office Equipment	Motor Vehicle	Total
<u>2018</u>	US\$	US\$	US\$	US\$
<u>Cost</u>				
At 1.4.2017	24,710	30,313	333,733	388,756
Additions	-	24,764	504,966	529,730
At 31.3.2018	24,710	55,077	838,699	918,486
<u>Accumulated depreciation</u>				
At 1.4.2017	23,038	20,367	200,241	243,646
Depreciation for the year	836	13,228	167,740	181,804
At 31.3.2018	23,874	33,545	367,981	425,450
<u>Carrying amount</u>				
At 31.3.2018	836	21,482	470,718	493,036
At 31.3.2017	1,672	9,946	133,492	145,110

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. PLANT AND EQUIPMENT

<u>2017</u>	Furniture & Fittings	Office Equipment	Motor Vehicle	Total
	US\$	US\$	US\$	US\$
<u>Cost</u>				
At 1.4.2016	22,203	15,392	333,733	371,328
Additions	2,507	14,921	-	17,428
At 31.3.2017	24,710	30,313	333,733	388,756
<u>Accumulated depreciation</u>				
At 1.4.2016	18,346	10,489	133,494	162,329
Depreciation for the year	4,692	9,878	66,747	81,317
At 31.3.2017	23,038	20,367	200,241	243,646
<u>Carrying amount</u>				
At 31.3.2017	1,672	9,946	133,492	145,110
At 31.3.2016	3,857	4,903	200,239	208,999

During the financial year, the company acquired plant and equipment with an aggregate cost of **US\$529,730** (2017: US\$17,428), of which **US\$504,966** (2017: Nil) was acquired by means of finance lease. Cash payments of **US\$204,546** (2017: US\$17,428) were made for purchase of plant and equipment.

The carrying amount of **US\$470,718** (2017: US\$133,492) worth of assets acquired under finance lease are pledged as security for the associated liabilities under finance lease.

During the financial year, the company carried out a review of the recoverable amount of all plant and equipment. As a result, there were no allowances for impairment or revisions to the useful lives required for plant and equipment.

8. CASH AND BANK BALANCES

	<u>2018</u> US\$	<u>2017</u> US\$
Cash at hand	14,251	5,531
Bank balances	5,553,963	1,422,992
	5,568,214	1,428,523

Cash and bank balances comprise cash held by the company and short-term bank deposits which earn interest at floating rates based on daily bank deposit rates. Cash and bank balances carried at the end of the reporting period are classified and accounted for as loans and receivables under FRS 39.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. CASH AND BANK BALANCES – cont'd

Cash and bank balances are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
Singapore dollars	118,203	206,384
United States dollars	4,453,760	1,029,225
Euro	147,015	1,069
British pounds	849,236	191,845
	<u>5,568,214</u>	<u>1,428,523</u>

9. TRADE AND OTHER RECEIVABLES

	<u>2018</u> US\$	<u>2017</u> US\$
Trade receivables:		
- third parties	4,684,351	1,822,675
Other receivables:		
- external parties	319,563	199,950
- rental deposits	19,291	19,291
	<u>5,023,205</u>	<u>2,041,916</u>

i) Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2017: 30 to 90) days' credit term. They are recognised at their original invoice amounts, which represents their fair values on initial recognition. Based on the historical default rates the company believes that no impairment allowance is necessary in respect of trade receivables. These receivables are mainly arising by customers that have a good credit record with the company.

The aging of trade receivables as at the end of the reporting period is as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
<u>Trade receivables that are neither past due nor impaired</u>		
Less than 30 days	4,684,351	1,549,011
31 to 60 days	-	273,664
61 to 90 days	-	-
<u>Trade receivables that are past due but not impaired</u>		
91 to 180 days	-	-
	<u>4,684,351</u>	<u>1,822,675</u>

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. TRADE AND OTHER RECEIVABLES – cont'd

ii) Other receivables

In determining the recoverability of other receivables, the company considers any change in the credit quality of the other receivable from the date credit was initially granted up to the reporting date. The majority of credit risk for other receivables for the company relate to amounts due from third parties, which are unsecured, interest-free and repayable on demand.

Management has assessed the credit worthiness of the other debtors including a related party considers that no allowances for impairment of other receivables is necessary as there were no recent history of default in respect of these debtors.

iii) Rental deposit

Rental deposit represents the two months rental caution deposit placed with the landlords of the office premises and the director's residence.

Trade and other receivables are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
Singapore dollars	20,865	129,802
United States dollars	987,663	453,097
British pounds	4,014,677	1,459,017
	5,023,205	2,041,916

10. OTHER CURRENT ASSETS

	<u>2018</u> US\$	<u>2017</u> US\$
Deposits	1,369	2,555
Prepayment	-	3,129
Others	9,243	-
	10,612	5,684

Deposits which mainly relate to PUB deposit placed for office premises and directors accommodation are recognised at fair value on initial recognition.

11. a) SHARE CAPITAL

	<u>2018</u> <u>Number of ordinary shares</u>	<u>2017</u> <u>Number of ordinary shares</u>	<u>2018</u> US\$	<u>2017</u> US\$
Issued and paid up:				
Balance at beginning and end of year	2,010,000	2,010,000	2,007,609	2,007,609

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All shares rank equally with regard the company's residual assets. The company has one class of ordinary shares with no par value, which carry no right to fixed income.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. b) **SHARE APPLICATION MONEY – cont'd**

During the financial year, the company received a sum of US\$4,000,000 from the holding company as share application money, in respect of which shares will be allotted subsequent to the financial year end.

12. **FINANCE LEASES**

	<u>Minimum lease payments</u>		<u>Present value of minimum lease payment</u>	
	<u>2018</u> US\$	<u>2017</u> US\$	<u>2018</u> US\$	<u>2017</u> US\$
Amounts payables under finance leases:				
Within one year	84,618	28,429	73,950	26,470
In the second to fifth years	<u>324,025</u>	<u>52,120</u>	<u>275,482</u>	<u>48,855</u>
	408,643	80,549	<u>349,432</u>	<u>75,325</u>
Less: Future finance charges	<u>(59,211)</u>	<u>(5,224)</u>		
 Present value of lease obligations	 349,432	 75,325		
Less: Current portion	<u>(73,950)</u>	<u>(26,470)</u>		
 Non-current portion	 <u>275,482</u>	 <u>48,855</u>		

The company acquired motor vehicles under finance lease. The terms of this finance leases is 7 years (2017: 4 years). For the financial year ended 31 March 2018, the average effective borrowing rate in respect of this finance leases are 3.133% (2017: 3.587%) per annum. The interest rate and repayment sums were fixed on the date the finance leases were executed. The obligation under the finance leases are secured by the lessor's title to the leased assets (Note 7).

Finance leases are denominated in Singapore dollars.

13. **TRADE AND OTHER PAYABLES**

	<u>2018</u> US\$	<u>2017</u> US\$
Trade payables:		
- holding company (Note 6)	4,330,176	3,390,598
- related party (Note 6)	16,723	16,723
- external party	<u>3,463,181</u>	<u>1,187,190</u>
	7,810,080	4,594,511
Other payables:		
- accrued charged	9,000	7,058
- external parties	<u>31,586</u>	<u>85,712</u>
	<u>7,850,666</u>	<u>4,687,281</u>

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. TRADE AND OTHER PAYABLES – cont'd

Trade payables are non-interest bearing and generally up to 180 days' credit term. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The amount due to a director is unsecured, interest free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
United States dollars	7,673,377	3,500,091
Euro	177,289	-
British pounds	-	1,187,190
	<u>7,850,666</u>	<u>4,687,281</u>

14. REVENUE

Revenue represents net total invoiced value of goods supplied, services rendered, after allowances for returns and trade discounts as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Sale of goods	14,137,201	11,506,198
Consultancy fee received	-	32,834
	<u>14,137,201</u>	<u>11,539,032</u>

15. OTHER INCOME

	<u>2018</u> US\$	<u>2017</u> US\$
Foreign exchange adjustment gain	253,581	-
Consultancy fee	10,000	-
Government grant:		
- WCS	4,930	11,165
- SEC	-	237
- TEC	356	-
Insurance claim received	-	33,849
Interest income	42,117	58,082
Storage rental	10,898	-
	<u>321,882</u>	<u>103,333</u>

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. **OTHER INCOME – cont'd**

Government Grant

i) Special Employment Credit

The Special Employment Credit (“SEC”) was introduced as a part of the 2014 Singapore Budget initiatives to support employers, who hire Singaporean employees aged above 50. The main objective of SEC is to raise the employability of older, low-waged Singapore employees and also help the Employers to tap on this group of older workers for their skills and experiences to augment their manpower needs.

ii) Wage Credit Scheme

The Wage Credit Scheme (“WCS”) was introduced in 2014 as part of a three-year Transition Support Package for Businesses. The objective of the WCS is to help the companies cope with the rising wage costs and encourage companies to free up resources and to make investment in productivity investments and share the productivity gains with their employees. The Government will co-fund 40% of the wage increase given to Singaporean employees earning a gross monthly wage of S\$4,000 and below. WCS is computed based on monthly CPF contribution made by the employer for their employees.

iii) Temporary Employment Credit

The Temporary Employment Credit (“TEC”) was introduced as a Budget initiative to help alleviate the rise in business costs due to the increase in Medisave contribution rates in 2015. It also provides additional support to help employers adjust to cost increases associated with the CPF changes which will take effect in 2015. The TEC is calculated based on the CPF contributions paid by the company for the eligible employee(s) from January 2015, subject to an annual cap of S\$850 per employee.

16. **FINANCE COST**

	<u>2018</u> US\$	<u>2017</u> US\$
Interest on finance lease	5,962	1,958

17. **INCOME TAX EXPENSE**

a) Major component of income tax expenses/(benefits)

The major components of income tax expenses/(benefits) are as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Current year's income tax	-	-

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

17. INCOME TAX EXPENSE – cont'd

b) Relationship between income tax expenses /(benefit) and accounting loss

The reconciliation between tax benefit and the product of accounting profit /(loss) multiplied by the applicable corporate tax rate for the periods ended 31 March 2018 and 31 March 2017 are as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Profit /(loss) before income tax	36,342	(1,003,795)
Tax expenses/(benefit) of the domestic income tax rate 17% (2017: 17%)	6,178	(170,645)
Tax effect of:		
- taxable expenses	47,627	20,085
- utilisation of deferred tax benefit previously not recognised	(53,805)	-
- deferred tax assets not recognised	-	150,560
Total income tax expenses	-	-

c) Unrecorded deferred tax benefit

The company has tax loss carry forwards and temporary differences from capital allowances available for offsetting against future taxable income as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Amount at beginning of year	2,682,235	1,790,706
Amount (utilised) in current year	(316,500)	891,529
Amount at end of year	2,365,735	2,682,235
Deferred tax benefit on above unrecorded at 17% (2017: 17%)	402,175	455,980

The realisation of the future income tax benefits from tax loss carry forwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefit of the remaining tax loss carried forward and temporary differences from capital allowances have not been recognised in the financial statements because it is not probable to determine that the future taxable profit will be available against which the company can utilise the benefits thereon.

Comparative figures in 2017 for unutilised tax losses have been adjusted based on the last income tax returns.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. PROFIT /(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging:

	<u>2018</u> US\$	<u>2017</u> US\$
Director's emoluments		
- remuneration	254,227	286,120
- CPF	14,775	12,662
Employee benefit expenses, inclusive of directors' emoluments	558,058	697,207
Cost of defined contribution included in employee benefit expense	35,555	24,203
Foreign currency exchange adjustment loss	-	14,146
Inventories recognised as an expenses in cost of goods sold	13,090,164	10,862,531
Bad debts written off non-trade	50,166	562,067

19. COMMITMENTS

a) Letter of guarantees

The company issued two banker's guarantees amounting to US\$30,495 (equivalent to S\$40,000) in favour of The Comptroller of Goods and Services Tax, Singapore for the period from 20 October 2017 to 19 October 2018, pursuant to Section 81 of the Goods and Services Tax Act for payment of GST.

b) Operating lease commitments

	<u>2018</u> US\$	<u>2017</u> US\$
Minimum lease payments under operating leases recognised as an expense in the period/year	66,276	65,240

As at the end of the reporting period, the company has outstanding commitments under non-cancelled operating leases, which fall due as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Within one year	71,538	54,541
In the second to fifth periods inclusive	58,121	-
	129,659	54,541

The company has operating lease arrangements for its office premises, director's accommodation. These leases contain renewable options to renew the operating leases. These leases term do not contain restriction on the company's activities concerning dividends, additional debts or further leasing.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

20. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

DHAMPUR INTERNATIONAL PTE. LTD.

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u> US\$	<u>2017</u> US\$
Revenue	14,137,201	11,539,032
Less: Cost of goods sold		
Purchases	<u>(13,090,164)</u>	<u>(10,862,531)</u>
Gross profit	1,047,037	676,501
Add: Other income		
Government grant:		
- WCS	4,930	11,165
- SEC	-	237
- TEC	356	-
Consultancy fee	10,000	-
Foreign exchange adjustment gain	253,581	-
Storage rental claim	10,898	-
Insurance claim received	-	33,849
Interest income	42,117	58,082
	<u>321,882</u>	<u>103,333</u>
	1,368,919	779,834
Less: Operating expenses		
- Schedule 'A'	<u>(1,332,577)</u>	<u>(1,783,629)</u>
Profit/(Loss) before income tax	<u>36,342</u>	<u>(1,003,795)</u>

This schedule does not form part of the audited statutory financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

Schedule 'A'

OPERATING EXPENSE

FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u> US\$	<u>2017</u> US\$
Marketing and distribution expenses		
Business promotion expenses	3,595	52,321
Commission	-	4,353
Entertainment expenses	40,243	26,644
Gifts and presents	5,625	1,457
Handling charges	153	179
Transport	37,441	25,936
Administrative expenses		
Auditors' remuneration	7,500	7,000
Bank charges	25,059	20,517
Bad debts written off non-trade	50,166	562,067
CPF	20,780	11,541
Claims paid	7,539	-
Director's emoluments:		
- remuneration	254,227	286,120
- CPF	14,775	12,662
Foreign currency exchange adjustment loss	-	14,146
General expenses	3,664	9,430
Insurance	3,129	-
Legal and professional fee	14,543	34,734
Medical expenses	1,598	712
Office maintenance	13,120	18,752
Postages and courier	2,854	4,131
Printing and stationery expenses	5,122	3,099
Rental expenses:	66,276	65,240
Salaries and allowances	263,722	144,354
Staff welfare expenses	4,554	12,000
Stamp duty	528	-
Subscription & membership charges	30,663	31,339
Telephone, fax and internet charges	34,104	29,284
Travelling expenses	186,341	274,773
Transport	9,236	15,363
Upkeep of motor vehicle	33,790	25,236
Water and electricity	3,376	3,209
Finance costs		
Interest on finance lease	5,962	1,958
Other expenses		
Depreciation of plant and equipment	181,804	81,317
Fines and penalties	144	3,755
Loss on sale on investments	944	-
	<u>1,332,577</u>	<u>1,783,629</u>

This schedule does not form part of the audited statutory financial statements.