

DHAMPUR INTERNATIONAL PTE. LTD.

(Registration number: 200912388N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

DHAMPUR INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

| CONTENTS | PAGE |
|---|-------------|
| DIRECTORS' STATEMENT | 1 - 2 |
| INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS | 3 - 5 |
| STATEMENT OF FINANCIAL POSITION | 6 |
| STATEMENT OF COMPREHENSIVE INCOME | 7 |
| STATEMENT OF CHANGES IN EQUITY | 8 |
| STATEMENT OF CASH FLOWS | 9 |
| NOTES TO THE FINANCIAL STATEMENTS | 10 - 48 |
| DETAILED STATEMENT OF PROFIT OR LOSS | 49 - 50 |

DHAMPUR INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of **DHAMPUR INTERNATIONAL PTE. LTD.** (the "company") for the financial year ended 31 March 2019.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Gaurav Goel
Gautam Goel
Siti Dayana Binte Muhammad Zalmisham

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors who held office at the end of the financial year, had interests in the shares of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50 as stated below: -

| <u>Name of directors</u> | <u>Number of ordinary shares with no par value</u> | |
|--|--|-----------------------|
| | <u>At beginning of year</u> | <u>At end of year</u> |
| <u>The holding company</u> <u>Dhampur Sugar Mills Limited</u> | | |
| Gaurav Goel | 4,211,379 | 4,211,379 |
| Gautam Goel | 4,242,339 | 4,242,339 |

DHAMPUR INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. SHARE OPTIONS

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

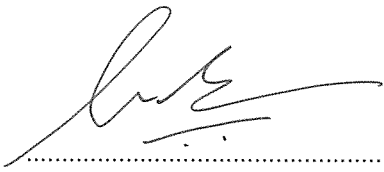
There were no shares issued during the financial year by virtue of the exercise of an option to take up unissued shares of the company.

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

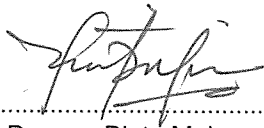
6. AUDITOR

Rama & Co. has expressed its willingness to accept re-appointment as auditor.

On behalf of the Directors



.....
Gautam Goel
Director


.....
Siti Dayana Binte Muhammad Zalmisham
Director

Date: 29 April 2019



Rama & Co
Public Accountants &
Chartered Accountants
Singapore

17 Phillip Street
#05-02 Grand Building
Singapore 048695
Tel : 6538 7777
Fax : 6533 3227
email : rahul@ramaco.com.sg

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 2019, 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 2019 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.

...2/-



**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.

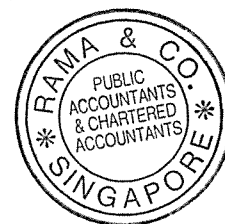
Report on Other Legal and Regulatory Requirement

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

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

Date: 29 April 2019



DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

| | <u>Note</u> | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---|-------------|---------------------|---------------------|
| ASSETS | | | |
| Non-current assets: | | | |
| Plant and equipment | (7) | 318,331 | 493,036 |
| Financial assets at fair value through other comprehensive income | (8) | 1,463,539 | - |
| Total non-current assets | | 1,781,870 | 493,036 |
| Current assets: | | | |
| Cash and bank balances | (9) | 1,502,910 | 5,568,214 |
| Trade and other receivables | (10) | 12,214,629 | 5,023,205 |
| Other current assets | (11) | 93,154 | 10,612 |
| Total current assets | | 13,810,693 | 10,602,031 |
| Total assets | | 15,592,563 | 11,095,067 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves: | | | |
| Share capital | (12a) | 6,007,609 | 2,007,609 |
| Share application money | (12b) | - | 4,000,000 |
| Fair value reserves | (8) | (93,068) | - |
| Accumulated losses | | (3,339,101) | (3,112,640) |
| Total equity | | 2,575,440 | 2,894,969 |
| Non-current liabilities: | | | |
| Finance leases | (13) | 23,278 | 275,482 |
| Current liabilities: | | | |
| Current portion of finance leases | (13) | 30,115 | 73,950 |
| Trade and other payables | (14) | 12,963,730 | 7,850,666 |
| Total current liabilities | | 12,993,845 | 7,924,616 |
| Total liabilities | | 13,017,123 | 8,200,098 |
| Total equity and liabilities | | 15,592,563 | 11,095,067 |

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 2019

| | <u>Note</u> | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--|-------------|---------------------|---------------------|
| Revenue | (15) | 29,915,991 | 14,137,201 |
| Cost of goods sold | | (28,824,395) | (13,090,164) |
| Gross profit | | 1,091,596 | 1,047,037 |
| Other income | (16) | 366,254 | 321,882 |
| Marketing and distribution expenses | | (60,658) | (87,057) |
| Administrative expenses | | (1,449,448) | (1,056,666) |
| Finance costs | (17) | (2,853) | (5,962) |
| Other expenses | | (171,352) | (182,892) |
| (Loss)/Profit before income tax | | (226,461) | 36,342 |
| Income tax expense | (18) | - | - |
| (Loss)/Profit for the year | (19) | (226,461) | 36,342 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Financial assets, at FVOCI | | | |
| - fair value loss on debt instrument | | (39,061) | - |
| Items that will not be reclassified to profit or loss: | | | |
| Fair value loss on equity investments | | (54,007) | - |
| Other comprehensive loss for the year | | (93,068) | - |
| Total comprehensive (loss)/income for the year | | (319,529) | 36,342 |

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 2019

| | Share capital US\$ | Share Application Money US\$ | Fair value reserve US\$ | Accumulated losses US\$ | Total US\$ |
|--|--------------------------|---------------------------------------|-------------------------------|-------------------------------|---------------|
| Balance as at 1 April 2017 | 2,007,609 | - | - | (3,148,982) | (1,141,373) |
| Transaction with owners directly recognised in equity: | | | | | |
| - Contribution for the year (Note 12(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 |
| Total comprehensive loss for the year | - | - | - | (226,461) | (226,461) |
| Transaction with owners directly recognised in equity: | | | | | |
| - Issuance of new shares (Note 12(a)) | 4,000,000 | (4,000,000) | - | - | - |
| Fair value loss on investment in FVOCI | - | - | (93,068) | - | (93,068) |
| Balance as at 31 March 2019 | 6,007,609 | - | (93,068) | (3,339,101) | 2,575,440 |

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 2019

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--|---------------------|---------------------|
| Cash flows from operating activities: | | |
| (Loss)/Profit before income tax | (226,461) | 36,342 |
| Adjustment for: | | |
| Depreciation of plant and equipment | 162,060 | 181,804 |
| Profit on disposal of motor vehicle | (60,165) | - |
| Dividends received | (8,429) | - |
| Interest income | (295,216) | (42,117) |
| Foreign currency exchange adjustment (gain)/loss | (1,024) | 16,909 |
| Finance cost | 2,853 | 5,962 |
| | (426,382) | 198,900 |
| Operating (loss)/profit before working capital changes | (426,382) | 198,900 |
| Trade receivables | (6,768,014) | (2,861,676) |
| Other current assets | (82,542) | (4,928) |
| Trade payables | 5,140,068 | 3,215,569 |
| | (2,136,870) | 547,865 |
| Net cash (used in)/from operating activities | (2,136,870) | 547,865 |
| Investing activities: | | |
| Acquisition of financial assets at FVOCI | (1,556,607) | - |
| Other receivables | (423,410) | (119,613) |
| Acquisition of plant and equipment | (350,847) | (204,546) |
| Proceeds from disposal of motor vehicle | 464,138 | - |
| Dividends received | 8,429 | - |
| Interest income | 295,216 | 42,117 |
| | (1,563,081) | (282,042) |
| Net cash used in investing activities | (1,563,081) | (282,042) |
| Financing activities: | | |
| Proceeds from share application | - | 4,000,000 |
| Interest expenses | (2,853) | (5,962) |
| Other creditors | (27,004) | (52,184) |
| Repayment of finance lease | (335,496) | (67,987) |
| | (365,353) | 3,873,867 |
| Net cash (used in)/from financing activities | (365,353) | 3,873,867 |
| Net (decrease)/increase in cash and bank balances | (4,065,304) | 4,139,690 |
| Cash and bank balances at beginning of year | 5,568,214 | 1,428,524 |
| Cash and bank balances at end of year | 1,502,910 | 5,568,214 |

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 2019

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:

91 Tanglin Road
Unit #04-05, Tanglin Place
Singapore 247918

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 2019 were authorised for issue by the Board of Directors on 29 April 2019.

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 year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements, except as discussed below:

FRS 109: Financial Instruments

The Company adopted FRS 109 from 1 January 2018, which did not have any significant financial impact on the current period. Details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

(i) Classification and measurement of financial assets and financial liabilities

FRS 109 largely retains the existing requirements in FRS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous FRS 39 categories for financial assets such as held to maturity, loans and receivables and available for sale. The adoption of FRS 109 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivatives financial instruments. The impact of FRS 109 on the classification and measurement of financial assets is set out below.

Under FRS 109, on initial recognition, a financial asset is classified as measured at amortised cost, fair value to other comprehensive income ("FVOCI"), or fair value to profit or loss ("FVTPL"). Derivative financial instruments are typically measured at FVTPL. However, if these instruments qualify for hedge accounting under FRS 109, then the effective portion of changes in fair value of the instrument is recognised in other comprehensive income while the ineffective portion is recognised in profit or loss. The classification of financial asset under FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

A financial asset (unless it is trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

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

a) Adoption of new revised FRSs and INT FRSs – cont'd

(ii) Impairment of financial assets

FRS 109 replaces, the incurred loss' model in FRS 39 with an 'expected credit loss' (ECL) model. Under FRS 109, credit losses are recognised earlier than under FRS 39. The following financial assets have been subjected to the expected credit loss model under FRS 109,

- trade receivables recognised under FRS 115
- debt instruments carried at amortised cost; and
- other receivables at amortised costs.

Trade receivables

The company applies the FRS 109 simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. The company did not identify a material increase in the loss allowance for trade receivables as a result of the adoption.

While cash and bank balances are also subject to the impairment requirements of FRS 109, the identified impairment loss was immaterial.

There is no material change in the provision for impairment for the above financial assets from the application of the expected credit loss impairment model.

FRS 115: Revenue From Contract With Customers

The company also adopted FRS 115 from 1 January 2018, which provides guide lines of revenue recognition. FRS 115 replaces FRS 18 'Revenue' and relevant Interpretations.

FRS 115 establishes a five step model to account for revenue arising from contract with customers and introduces new contract guidance.

- i) Identifying the contact with customer.
- ii) Identifying distinct performance obligations in the contract.
- iii) Determining the transaction price.
- iv) Allocating the transaction price to distinct performance.
- v) Recognising revenue when the performance obligation are satisfied.

Under FRS 115, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of good and services and ability to direct use of and obtain substantially all of the remaining benefits from the asset.

The effect of the change in the standard as of the transition date (the date of initial implementation) is immaterial to 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

As at the date of the authorisation of these financial statements, the Company has not adopted the following FRSs and INT FRSs that have been issued but not yet effective:

| <u>Reference</u> | <u>Description</u> | <u>Effective for annual periods beginning on or after</u> |
|------------------------------------|---|---|
| FRS 1 and FRS 8 | Definition of Material (Amendments) | 1 January 2020 |
| FRS 19 | Employee Benefits - Plan Amendments, Curtailment or Settlement (Amendments) | 1 January 2019 |
| FRS 103 | Definition of a Business (Amendments) | 1 January 2020 |
| FRS 109 | Financial Instruments - Prepayment futures with Negative Compensation (Amendments) | 1 January 2019 |
| FRS 116 | Leases | 1 January 2019 |
| FRS 117 | Insurance Contracts | 1 January 2021 |
| INT FRS 123 | Uncertainty over Income Tax Treatments | 1 January 2019 |
| Improvements to FRSs (March 2018): | | |
| | - Amendment to FRS 12: Income taxes | 1 January 2019 |
| | - Amendment to FRS 23: Borrowings costs | 1 January 2019 |

The Company expect that the adoption of the above standards, interpretations and improvements, if applicable, will have no material impact on the financial statements in the period of initial application, except as described below:

i) FRS 1, Presentation of Financial Statements and FRS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material (Amendments)

The amendments refine the definition of material in FRS 1 and align the definitions used in Conceptual Framework for Financial Reporting and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

An entity applies those amendments prospectively for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted. The company does not expect any significant impact of adopting these amendments.

ii) FRS 19: Employee Benefits – Plan Amendments, Curtailment or Settlement (Amendments)

The amendments require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement, which occurs during the reporting period. The amendments also clarify how the requirements for accounting for a plan amendment, curtailment or settlement affect the asset ceiling requirements.

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

ii) FRS 19: Employee Benefits – Plan Amendments, Curtailment or Settlement (Amendments) – cont'd

The amendments should be applied prospectively to plan amendments, curtailments or settlements that occur on or after 1 January 2019, with earlier application permitted. These amendments will not have a significant impact on the Company's financial statements.

iii) FRS 103: Definition of a Business (Amendments)

The amendments to FRS 103 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity applies those amendments prospectively for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

These amendments will apply on future business combinations of the company.

iv) FRS 116: Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT FRS 104 determining whether an arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

As FRS 116, when effective, will change the existing accounting standards and guidance applied by the Company in accounting for revenue, financial instruments and leases, these standards are expected to be relevant to the Company. The Company is currently assessing the quantitative impact on the financial statements.

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

v) FRS 117: Insurance Contracts

FRS 117 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, FRS 117 replace FRS 104, Insurance Contracts. This new standard on insurance contracts applies to all type of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of FRS 117 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in FRS 104 which are largely based on grandfathering previous local accounting policies, FRS 117 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of FRS 117 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

FRS 117 is effective for reporting periods beginning on or after 1 January 2020, with comparative figures required. Early application is permitted.

vi) INT FRS 123: Uncertainty over Income Tax Treatments

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is possible that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - * if probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - * if not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

Management does not plan to early adopt INT FRS 123 for financial year ending 31 March 2019.

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

vii) Improvements to FRSs

This improvement contains amendments to two standards. The following are the amendments relevant to the Company:

- FRS 12: Income Taxes (Amendments)

Income tax consequences of payments on financial instruments classified as equity (Amendments to FRS 12 Income Taxes). The amendments clarify that all income tax consequences of dividends, including payments on financial instruments classified as equity, are recognised consistently with the transactions that generated the distributable profits (i.e. in profit or loss, OCI or equity)

The amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. When an entity first applies those amendments, it shall apply them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

- FRS 23: Borrowing costs (Amendments)

Borrowings costs eligible for capitalisation (Amendments to FRS 23 Borrowing Costs). The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale are included in that general pool.

Except for the above impact, as of the date of financial statements were authorised for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

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.

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

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 |

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.

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

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.

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.

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

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.

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

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

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

a) Sale of goods

Revenue is recognised when the customer obtains control of the goods upon delivery and acceptance by the customer.

b) Interest income from bank deposits

Interest income is recognised using the effective interest method.

c) Dividend income

Dividend income is recognised when the company's right to receive payment is established.

d) Government grant

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

e) 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

f) 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.

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 year. 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 year.

3.1. Financial Assets

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

a) Classification of financial assets

Financial assets are classified, at initial recognition, as either measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

a) Classification of financial assets – cont'd

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commit to purchase or sell the asset.

For purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost.
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

b) Financial assets at amortised cost

Financial assets at amortised cost include trade and other receivables, and other financial assets that held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

The company has balances of trade and other receivables and cash and bank balances that are held within a business model, whose objective is collecting contractual cash flows. Trade and other receivable and cash and bank balances were classified as loans and receivables under FRS 39 are classified as financial assets at amortised cost under FRS 109.

i) Trade and other receivables

Trade and other receivables are recognised initial at the fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is made on the expected credit loss, which are the present value of the cash short falls over the expected life of the trade and other receivables.

ii) Cash and bank balances

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

c) Financial assets at fair value through other comprehensive income (FVOCI)

Debt instruments. A debt financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognised in profit and loss until the financial asset is derecognised. Upon derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognised in profit or loss upon derecognition if the financial asset had been measured at amortised cost. Impairment is measured based on the expected credit loss (ECL) model.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

d) Equity instruments

The company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognised in a business combination in accordance with FRS 103. Amount recognized in OCI are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

As at 31 March 2019, the company elected to classify irrevocably all equity investments as financial asset at FVOCI.

Other than financial assets at amortised cost and financial assets at fair value through other comprehensive income, the company does not designate any financial assets under any other category under FRS 109.

e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages.

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

For trade receivables and contract assets, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

e) Impairment of financial assets – cont'd

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when the contractual payments more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 180 days due. However, in certain cases, the Company also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

f) Derecognition of financial assets

A financial asset is primary derecognised when:

- i) the rights to receive cash flows from the asset have expired or,
- ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.2. Financial Liabilities and Equity Instruments

Classification as debt or equity

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 instrument. Financial liabilities and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

a) Financial liabilities

Initial recognition and measurement

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

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

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Liabilities and Equity Instruments – cont'd

a) Financial liabilities – cont'd

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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” on the statement of financial position.

Trade and other payables

Financial liabilities include trade and other payables. Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

b) 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 profit and loss statement.

c) 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.

d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement 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.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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 18 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.

iii) Revenue – gross presentation

For the sale of ethyl acetate and ethyl alcohol, the company assesses its sales arrangements to determine if it acts as a principal or an agent. In determining whether the company acts as a principal, the company considers factors such as if the company has primary responsibility for providing the goods or services to the customer, bears inventory risks before or after the customer order during shipping or on return, has latitude in establishing prices either directly or indirectly, and bears the customer's credit risks for the amount receivable from the customers.

The company has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the company acts as a principal and so accounts the revenue as gross presentation in the statement of profit or loss and other comprehensive income. The company's revenue from the sale of ethyl acetate and ethyl alcohol is disclosed in Note 15 to the financial statements.

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 2019 was **US\$318,331** (2018: US\$493,036).

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) Provision for expected credit losses of trade receivables

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

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

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

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>2019</u> | <u>2018</u> |
|-------------------------------|-------------------|-------------------|
| | US\$ | US\$ |
| Financial assets | | |
| At amortised costs: | | |
| - Trade and other receivables | 12,214,629 | 5,023,205 |
| - Cash and bank balances | 1,502,910 | 5,568,214 |
| Financial assets at FVOCI | 1,463,539 | - |
| | 15,181,078 | 10,591,419 |
| Financial liabilities | | |
| At amortised costs: | | |
| - Trade and other payables | 12,963,730 | 7,850,666 |
| - Finance leases | 53,393 | 349,432 |
| | 13,017,123 | 8,200,098 |

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 holding company and a related party. The company adopts a pro-active approach in its credit evaluation process, credit policies and credit control as well as collection procedures to manage risk arising from the concentration of its credit exposure.

The company applies the FRS 109 simplified approach in measuring expected credit loss using a life time expected credit loss provision for all trade receivables. The expected credit loss rates are based on the company's historical credit losses experienced over the twelve months period prior to the current period end. Management has assessed that there is no requirement for disclosure of provision matrix to calculate expected credit loss on the trade receivables as at end of the reporting date, as there is no probability of insolvency or significant financial difficulties of the debtor or significant delay in payments.

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) Financial asset at FVOCI

The company limits its exposure to credit risk on investments held by investing with some counterparties that have high credit rating.

iii) Cash and bank balances

The company's cash and bank balances as detailed in Note 9 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, Hongkong dollars 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>2019</u> | <u>Euro</u> US\$ | <u>British</u> <u>pounds</u> US\$ | <u>Singapore</u> <u>dollars</u> US\$ | <u>Hongkong</u> <u>dollars</u> US\$ |
|--------------------------------|---------------------|---|--|---|
| Financial assets: | | | | |
| Trade and other receivables | 123,040 | 4,311,990 | 13,433 | - |
| Cash and bank balances | 275,525 | 10,076 | 167,377 | 6,459 |
| Financial assets at FTVL | - | 46,560 | - | 206,040 |
| | <u>398,565</u> | <u>4,368,626</u> | <u>180,810</u> | <u>212,499</u> |
| Financial liabilities: | | | | |
| Finance leases | - | - | - | - |
| Trade and other payables | 343,521 | 5,538,586 | 53,393 | - |
| | <u>(343,521)</u> | <u>(5,538,586)</u> | <u>(53,393)</u> | <u>-</u> |
| Net foreign currency exposures | <u>55,044</u> | <u>(1,169,960)</u> | <u>127,417</u> | <u>212,499</u> |
| | | | | |
| <u>2018</u> | <u>Euro</u> US\$ | <u>British</u> <u>pounds</u> US\$ | <u>Singapore</u> <u>dollars</u> US\$ | |
| 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> | |

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>2019</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> | <u>Hongkong</u> <u>Dollars</u> <u>US\$</u> |
|--|--------------------------------|--|---|--|
| Increase in foreign currency impact | <u>5,504</u> | <u>(116,996)</u> | <u>12,742</u> | <u>21,250</u> |
| <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> | <u>Hongkong</u> <u>dollars</u> <u>US\$</u> |
| Increase in foreign currency impact | <u>(2,958)</u> | <u>486,391</u> | <u>(21,041)</u> | |

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 13 to the financial statements. Demand deposit earns interest as stated in Note 9 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.

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 | Contractual undiscounted cash flows | | | Total |
|--|-----------------------------|-------------------|--------------------------------------|---------------------|-------------------|-------------------|
| | | | Within 1 year or repayable on demand | Within 2 to 5 years | More than 5 years | |
| 2019 | | US\$ | US\$ | US\$ | US\$ | US\$ |
| Financial liabilities | | | | | | |
| Trade and other payables | - | 12,963,730 | 12,963,730 | - | - | 12,963,730 |
| Finance leases | 3.855 | 53,393 | 32,716 | 25,553 | - | 58,269 |
| Total undiscounted financial liabilities | | <u>13,017,123</u> | <u>12,996,446</u> | <u>25,553</u> | <u>-</u> | <u>13,021,999</u> |

| | Effective interest rate (%) | Carrying amount | Contractual undiscounted cash flows | | | 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 | | <u>8,200,098</u> | <u>7,935,284</u> | <u>324,025</u> | <u>-</u> | <u>8,259,309</u> |

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

The management has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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.

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

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

| | Carrying Amount | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|--------------------|-----------|---------|---------|-----------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| 2019 | | | | | |
| <u>Financial assets</u> | | | | | |
| Financial asset at FVOCI (Note 8) | - | 1,463,539 | - | - | 1,463,539 |
| <hr/> | | | | | |
| | Carrying Amount | Level 1 | Level 2 | Level 3 | Total |
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| 2018 | | | | | |
| <u>Financial assets</u> | | | | | |
| Financial asset at FVOCI (Note 8) | - | - | - | - | - |
| <hr/> | | | | | |

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

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.

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>2019</u> US\$ | <u>2018</u> US\$ |
|--------------------------|---------------------|---------------------|
| Finance leases | 53,393 | 349,432 |
| Trade and other payables | 12,963,730 | 7,850,666 |
| Cash and bank balances | <u>(1,502,910)</u> | <u>(5,568,214)</u> |
| Net debt | 11,514,213 | 2,631,884 |
| Total equity | <u>2,668,508</u> | <u>2,894,969</u> |
| Total capital | <u>14,182,721</u> | <u>5,526,853</u> |
| | | |
| Gearing ratio | <u>81%</u> | <u>48%</u> |

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.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. RELATED PARTY TRANSACTIONS – cont'd

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.

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>2019</u> US\$ | <u>2018</u> US\$ |
|--------------------|---------------------|---------------------|
| Purchases of goods | 7,957,940 | 4,580,774 |
| Sales of goods | <u>2,860,820</u> | <u>-</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>2019</u> US\$ | <u>2018</u> US\$ |
|--|---------------------|---------------------|
| <u>Compensation paid to a director</u> | | |
| - Remunerations | 285,128 | 367,093 |
| - CPF | <u>12,804</u> | <u>14,775</u> |
| | <u>297,932</u> | <u>381,868</u> |

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. PLANT AND EQUIPMENT

| <u>2019</u> | Furniture & Fittings | Office Equipment | Motor Vehicle | Renovation | Total |
|--|-------------------------------------|-----------------------------|--------------------------|-------------------|----------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| <u>Cost</u> | | | | | |
| At 1.4.2018 | 24,710 | 55,077 | 838,699 | - | 918,486 |
| Additions | 6,451 | 6,036 | 353,389 | 25,452 | 391,328 |
| Disposal | - | - | (504,966) | - | (504,966) |
| At 31.3.2019 | 31,161 | 61,113 | 687,122 | 25,452 | 804,848 |
| <u>Accumulated depreciation</u> | | | | | |
| At 1.4.2018 | 23,874 | 33,595 | 367,981 | - | 425,450 |
| Depreciation for the year | 1,480 | 18,920 | 137,420 | 4,240 | 162,060 |
| Disposal | - | - | (100,993) | - | (100,993) |
| At 31.3.2019 | 25,354 | 52,515 | 404,408 | 4,240 | 486,517 |
| <u>Carrying amount</u> | | | | | |
| At 31.3.2019 | 5,807 | 8,598 | 282,714 | 21,212 | 318,331 |
| At 31.3.2018 | 836 | 21,482 | 470,718 | - | 493,036 |

| <u>2018</u> | Furniture & Fittings | Office Equipment | Motor Vehicle | Total |
|--|-------------------------------------|-----------------------------|--------------------------|----------------|
| | 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 | 33,595 | 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 |

During the financial year, the company acquired plant and equipment with an aggregate cost of **US\$391,328** (2018: US\$529,730), of which **US\$40,481** (2018: US\$504,966) was acquired by means of finance lease. Cash payments of **US\$350,847** (2018: US\$204,546) were made for purchase of plant and equipment.

The carrying amount of **US\$282,714** (2018: US\$470,718) 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.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---|---------------------|---------------------|
| At cost: | | |
| Fixed income bonds | 1,210,939 | - |
| Quoted equities | 345,668 | - |
| | 1,556,607 | - |
| Net fair value changes recognized in other comprehensive income | (93,068) | - |
| | 1,463,539 | - |

Fixed income bonds are managed for interest and capital appreciation and whose performance is evaluated on a fair value basis, is therefore measured at FVOCI.

Equities investment are categorised as at fair value through other comprehensive income. The company has elected to measure these equity securities at FVOCI due to the company's intention to hold these equity instruments for long-term appreciation. The fair values of the quoted equity securities are based on closing quoted market prices on the last market day of the financial year.

The financial assets at FVOCI are denominated in the following currencies:

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|-----------------------|---------------------|---------------------|
| United States dollars | 1,304,007 | - |
| Hongkong dollars | 206,040 | - |
| British pounds | 46,560 | - |
| | 1,556,607 | - |

9. CASH AND BANK BALANCES

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---------------|---------------------|---------------------|
| Cash at hand | 34,400 | 14,251 |
| Bank balances | 1,468,510 | 5,553,963 |
| | 1,502,910 | 5,568,214 |

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 financial assets at amortised costs under FRS 109.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. CASH AND BANK BALANCES – cont'd

Cash and bank balances are denominated in the following currencies:

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|-----------------------|---------------------|---------------------|
| Singapore dollars | 167,377 | 118,203 |
| United States dollars | 1,043,473 | 4,453,760 |
| Euro | 275,525 | 147,015 |
| British pounds | 10,076 | 849,236 |
| Hongkong dollars | 6,459 | - |
| | 1,502,910 | 5,568,214 |

10. TRADE AND OTHER RECEIVABLES

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--------------------|---------------------|---------------------|
| Trade receivables: | | |
| - holding company | 1,066,931 | - |
| - third parties | 10,385,434 | 4,684,351 |
| | 11,452,365 | 4,684,351 |
| Other receivables: | | |
| - external parties | 750,000 | 319,563 |
| - rental deposits | 12,264 | 19,291 |
| | 12,214,629 | 5,023,205 |

i) Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 270 (2018: 30 to 270) 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>2019</u> US\$ | <u>2018</u> US\$ |
|---|---------------------|---------------------|
| <u>Trade receivables that are neither past due nor impaired</u> | | |
| Less than 30 days | 3,632,957 | 4,684,351 |
| 31 to 60 days | 1,436,607 | - |
| 61 to 90 days | 3,495,546 | - |
| 91 to 180 days | 2,887,255 | - |
| | 11,452,365 | 4,684,351 |

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

10. TRADE AND OTHER RECEIVABLES – cont'd

Receivables that are impaired

There were no receivables that are impaired. Consequently, no allowance account has been presented.

Expected credit losses

No movement in allowance for expected credit losses of trade receivables has been presented as there is no expected credit loss computed based on lifetime ECL.

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 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>2019</u> US\$ | <u>2018</u> US\$ |
|-----------------------|---------------------|---------------------|
| Singapore dollars | 13,433 | 20,865 |
| United States dollars | 7,766,166 | 987,663 |
| British pounds | 4,311,990 | 4,014,677 |
| Euro | 123,040 | - |
| | <u>12,214,629</u> | <u>5,023,205</u> |

11. OTHER CURRENT ASSETS

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|------------|---------------------|---------------------|
| Deposits | 2,411 | 1,369 |
| Prepayment | 81,500 | - |
| Others | 9,243 | 9,243 |
| | <u>93,154</u> | <u>10,612</u> |

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

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. a) **SHARE CAPITAL**

| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
|------------------------------|----------------------------------|----------------------------------|-------------|-------------|
| | <u>Number of ordinary shares</u> | <u>Number of ordinary shares</u> | <u>US\$</u> | <u>US\$</u> |
| Issued and paid up: | | | | |
| Balance at beginning of year | 2,010,000 | 2,010,000 | 2,007,609 | 2,007,609 |
| Issuance of shares | 4,000,000 | - | 4,000,000 | - |
| | 6,010,000 | 2,010,000 | 6,007,609 | 2,007,609 |

Pursuant to a resolution duly approved and passed at an Extraordinary General Meeting held on 18 April 2018, the company issued **4,000,000** ordinary shares at **US\$1** per share to its holding company in full satisfaction of share application money received from the holding company.

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.

b) **SHARE APPLICATION MONEY**

During the previous financial year, the company received a sum of US\$4,000,000 from the holding company as share application money. Accordingly, during the financial year, the company issued 4,000,000 ordinary shares at US\$1 per share to the holding company.

13. **FINANCE LEASES**

| | <u>Minimum lease payments</u> | | <u>Present value of minimum lease payment</u> | |
|---|-------------------------------|-------------|---|-------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| | <u>US\$</u> | <u>US\$</u> | <u>US\$</u> | <u>US\$</u> |
| Amounts payables under finance leases: | | | | |
| Within one year | 32,716 | 84,618 | 30,115 | 73,950 |
| In the second to fifth years | 25,553 | 324,025 | 23,278 | 275,482 |
| | 58,269 | 408,643 | 53,393 | 349,432 |
| Less: Future finance charges | (4,876) | (59,211) | | |
| Present value of lease obligations | 53,393 | 349,432 | | |
| Less: Current portion | (30,115) | (73,950) | | |
| Non-current portion | 23,278 | 275,482 | | |

The company acquired motor vehicles under finance lease. The terms of this finance leases is 5 years (2018: 7 years). For the financial year ended 31 March 2019, the average effective borrowing rate in respect of this finance leases are 3.855% (2018: 3.133%) 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.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. FINANCE LEASES – cont'd

Note to statement of cash flows

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---|---------------------|---------------------|
| Balance at beginning of year | 349,432 | 75,325 |
| Proceeds | 40,481 | 325,185 |
| Repayment | (335,496) | (67,987) |
| Foreign currency exchange adjustment loss | (1,024) | 16,909 |
| | 53,393 | 349,432 |

14. TRADE AND OTHER PAYABLES

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|----------------------------|---------------------|---------------------|
| Trade payables: | | |
| - holding company (Note 6) | 343,521 | 4,330,176 |
| - related party (Note 6) | 16,723 | 16,723 |
| - external parties | 12,589,904 | 3,463,181 |
| | 12,950,148 | 7,810,080 |
| Other payables: | | |
| - accrued charges | 12,724 | 9,000 |
| - external parties | 858 | 31,586 |
| | 12,963,730 | 7,850,666 |

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>2019</u> US\$ | <u>2018</u> US\$ |
|-----------------------|---------------------|---------------------|
| United States dollars | 7,081,623 | 7,673,377 |
| Euros | 343,521 | 177,289 |
| British pounds | 5,538,586 | - |
| | 12,963,730 | 7,850,666 |

15. REVENUE

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

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

16. OTHER INCOME

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|-----------------------------------|---------------------|---------------------|
| Government grant: | | |
| - WCS | 1,949 | 4,930 |
| - TEC | 515 | 356 |
| Consultancy fee | - | 10,000 |
| Dividend income | 8,429 | - |
| Foreign exchange adjustment gain | - | 253,581 |
| Storage rental claim | - | 10,898 |
| Gain on disposal of motor vehicle | 60,145 | - |
| Interest income | 295,216 | 42,117 |
| | 366,254 | 321,882 |

Government Grant

i) 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.

17. FINANCE COST

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---------------------------|---------------------|---------------------|
| Interest on finance lease | 2,853 | 5,962 |

18. INCOME TAX EXPENSE

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

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

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---------------------------|---------------------|---------------------|
| Current year's income tax | - | - |

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

18. INCOME TAX EXPENSE – cont'd

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

The reconciliation between tax (benefit)/expenses and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the periods ended 31 March 2019 and 31 March 2018 are as follows:

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--|---------------------|---------------------|
| (Loss)/Profit before income tax | <u>(226,461)</u> | <u>36,342</u> |
| Tax expenses/(benefit) of the domestic income tax rate 17% (2018: 17%) | (38,498) | 6,178 |
| Tax effect of: | | |
| - taxable expenses | 5,735 | 47,627 |
| - utilisation of deferred tax benefit previously not recognised | - | (53,805) |
| - deferred tax assets not recognised | <u>32,763</u> | <u>-</u> |
| Total income tax expenses | <u>-</u> | <u>-</u> |

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>2019</u> US\$ | <u>2018</u> US\$ |
|---|---------------------|---------------------|
| Amount at beginning of year | 2,365,735 | 2,682,235 |
| Amount in/(utilised in) current year | <u>192,724</u> | <u>(316,500)</u> |
| Amount at end of year | <u>2,558,459</u> | <u>2,365,735</u> |
| Deferred tax benefit on above unrecorded at 17% (2018: 17%) | <u>434,938</u> | <u>402,175</u> |

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 2018 for unutilised tax losses have been adjusted based on the last income tax returns.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

19. (LOSS)/PROFIT FOR THE YEAR

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

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---|---------------------|---------------------|
| Director's emoluments | | |
| - remuneration | 285,128 | 367,093 |
| - CPF | 12,804 | 14,775 |
| Employee benefit expenses, inclusive of directors' emoluments | 641,191 | 558,058 |
| Cost of defined contribution included in employee benefit expense | 35,969 | 35,555 |
| Foreign currency exchange adjustment loss | 303,624 | - |
| Inventories recognised as an expenses in cost of goods sold | 28,824,395 | 13,090,164 |
| Bad debts written off non-trade | - | 50,166 |
| Loss on disposal of investments | 3,653 | - |
| | 28,824,395 | 13,090,164 |

20. COMMITMENTS

a) Letter of guarantees

The company issued two banker's guarantees amounting to US\$29,500 (equivalent to S\$40,000) in favour of The Comptroller of Goods and Services Tax, Singapore for the period from 20 October 2018 to 19 October 2019, pursuant to Section 81 of the Goods and Services Tax Act for payment of GST.

b) Operating lease commitments

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|---|---------------------|---------------------|
| Minimum lease payments under operating leases recognised as an expense in the period/year | 48,463 | 66,276 |

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

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--|---------------------|---------------------|
| Within one year | 36,492 | 71,538 |
| In the second to fifth periods inclusive | 54,739 | 58,121 |
| | 91,231 | 129,659 |

The company has operating lease arrangements for its office premises and 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

21. 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 2019

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--|---------------------|---------------------|
| Revenue | 29,915,991 | 14,137,201 |
| Less: Cost of goods sold | | |
| Purchases | <u>(28,824,395)</u> | <u>(13,090,164)</u> |
| Gross profit | 1,091,596 | 1,047,037 |
| Add: Other income | | |
| Government grant: | | |
| - WCS | 1,949 | 4,930 |
| - TEC | 515 | 356 |
| Consultancy fee | - | 10,000 |
| Dividend income | 8,429 | - |
| Foreign exchange adjustment gain | - | 253,581 |
| Storage rental claim | - | 10,898 |
| Gain on disposal of motor vehicle | 60,145 | - |
| Interest income | 295,216 | 42,117 |
| | <u>366,254</u> | <u>321,882</u> |
| | 1,457,850 | 1,368,919 |
| Less: Operating expenses | | |
| - Schedule 'A' | <u>(1,684,311)</u> | <u>(1,332,577)</u> |
| (Loss)/Profit before income tax | <u>(226,461)</u> | <u>36,342</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 2019

| | <u>2019</u> US\$ | <u>2018</u> US\$ |
|--|---------------------|---------------------|
| Marketing and distribution expenses | | |
| Business promotion expenses | - | 3,595 |
| Commission | 6,019 | - |
| Entertainment expenses | 51,863 | 40,243 |
| Gifts and presents | 2,776 | 5,625 |
| Handling charges | - | 153 |
| Transport | - | 37,441 |
| Administrative expenses | | |
| Auditors' remuneration | 7,500 | 7,500 |
| Bank charges | 74,001 | 25,059 |
| Bad debts written off non-trade | - | 50,166 |
| CPF | 23,165 | 20,780 |
| Claims paid | 681 | 7,539 |
| Director's emoluments: | | |
| - remuneration | 285,128 | 254,227 |
| - CPF | 12,804 | 14,775 |
| Foreign currency exchange adjustment loss | 303,624 | - |
| General expenses | - | 3,664 |
| Insurance | - | 3,129 |
| Legal and professional fee | 93,441 | 14,543 |
| Medical expenses | 1,397 | 1,598 |
| Office maintenance | 26,434 | 13,120 |
| Postages and courier | 4,909 | 2,854 |
| Printing and stationery expenses | 2,269 | 5,122 |
| Rental expenses: | 48,463 | 66,276 |
| Salaries and allowances | 320,094 | 263,722 |
| Staff welfare expenses | - | 4,554 |
| Stamp duty | 433 | 528 |
| Subscription & membership charges | 51,341 | 30,663 |
| Sponsorship expenses | 41,891 | - |
| Telephone, fax and internet charges | 31,534 | 34,104 |
| Travelling expenses | 34,945 | 186,341 |
| Transport | 43,176 | 9,236 |
| Upkeep of motor vehicle | 39,844 | 33,790 |
| Water and electricity | 2,374 | 3,376 |
| Finance costs | | |
| Interest on finance lease | 2,853 | 5,962 |
| Other expenses | | |
| Depreciation of plant and equipment | 162,060 | 181,803 |
| Fines and penalties | 5,639 | 145 |
| Loss on sale on investments | 3,653 | 944 |
| | 1,684,311 | 1,332,577 |

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