

P&L for FVC Group

Profit & Loss Account

For The Financial Year Of 2021

		Year-To-Date
		30/06/2021
		S\$
Revenue		
	REALISED CAPITAL APPRECIATION	3,888,000.00
	TURNOVER - CONSULTING	91,611.47
		<u>3,979,611.47</u>
Less : Cost of Goods Sold		
	MENTORING COST	30,090.00
		<u>30,090.00</u>
Gross Profit/(Loss)		3,949,521.47
Other Revenue		
	OTHER INCOME	40,209.15
		<u>40,209.15</u>
Less : Expenditure		
	BANK CHARGES	238.00
	CPF EXPENSE	25,417.00
	CASUAL LABOUR	1,480.00
	DEPRECIATION - ROU	56,949.30
	DIRECTOR REMUNERATION	156,500.00
	DEPRECIATION	5,877.51
	ENTERTAINMENT & REFRESHMENT	2,000.45
	GENERAL EXPENSE	3,026.66
	INTEREST - ROU	1,049.49
	INSURANCE	374.50
	LEGAL FEE	9,427.20
	LOW VALUE ASSET	1,300.00
	LICENCE FEE	6,191.78
	PRINTING & STATIONERY	415.53
	SUBSCRIPTION FEE	475.52
	SECRETARIAL FEE	2,490.00
	SALARY	23,400.00
	STAFF ALLOWANCE	1,100.00
	TELEPHONE & INTERNET EXPENSE	472.45
	TRANSPORTATION	2,648.00
	UTILITIES	768.81
		<u>301,602.20</u>
Profit Before Tax		3,688,128.42

NET PROFIT/(LOSS)

3,688,128.42

RETAINED PROFIT/(LOSS) B/F

(97,696.49)

RETAINED PROFIT/(LOSS) C/F

3,590,431.93

Before tax and distributions

HOOW FOODS PTE. LTD.

UEN 201804459W

(Incorporated in the Republic of Singapore)

(the "Company")

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

31 December 2019



DIRECTORS' STATEMENT

The directors present their statement to the members together with the unaudited financial statements of Hoow Foods Pte. Ltd. (the "Company") for the financial year ended 31 December 2019.

OPINION OF THE DIRECTORS

In the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019, and the financial performance, changes in equity and cash flows of the Company for the period.

DIRECTORS

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

1. Ow Yau Png
2. Ho Si Han Sherman
3. Woon Tien Yuan

SHARE OPTIONS

Options to subscribe for unissued shares

During the financial year, no options to subscribe for unissued shares of the Company were granted.

Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

Option against founder shares

At the end of the financial year, NUS Enterprise continues to hold options worth \$100,000 in shares of the company, to be exercised against the collective shareholding of the founders and, upon exercise, shall not have any dilutive effect on other shareholders of the Company.

On behalf of the directors,



Ow Yau Png
Director



Ho Si Han Sherman
Director

Singapore (19 Feb 2020)

INCOME STATEMENT

	Notes	Year Ending	
		31-Dec-19	31-Dec-18
REVENUE			
Product Sales	1	38,372.84	40,905.32
Services	2	49,000.00	0.00
Total Revenue (w/o GST)		87,372.84	40,905.32
OPERATING EXPENSES			
HR		-166,810.00	0.00
Rental		-13,350.00	-6,476.00
Utilities		-1,655.14	0.00
Telecomms		-319.42	-174.47
IT Services		-474.91	-2,078.36
Season Parking		-2,019.36	-120.00
Marketing		-18,437.05	-10,280.71
Sales		0.00	-6,489.36
Ingredients		-9,797.90	-21,995.14
Production		-15,689.30	-81,545.14
Testing		-7,094.67	-1,950.00
Logistics		-9,564.48	-4,332.22
Travel		-3,437.90	-209.00
Meetings		-3,826.86	0.00
Miscellaneous		-527.69	-1,504.18
Write-off	3	-3,968.69	0.00
Total Opex (w/o GST)		-256,973.37	-137,154.58
EBITDA (w/o GST)		-169,600.53	-96,249.26
GST			
GST Collected w/ Revenue		6,116.09	2,863.35
GST Paid to Vendors		-10,845.25	-8,342.06
Net GST Received / (Paid) to IRAS	4	4,199.22	2,330.03
Net GST Payments		-529.94	-3,148.68
EBITDA (incl. GST)		-170,130.47	-99,397.94
Depreciation	5	-876.95	-287.99
EBIT		-171,007.42	-99,685.93
Interest Expense		0.00	0.00
Earnings before Tax		-171,007.42	-99,685.93
Tax Expense		0.00	0.00
Net Earnings		-171,007.42	-99,685.93

Hoow Foods Pte. Ltd. Directors' Statement and Financial Statements (31 December 2019)

BALANCE SHEET

	Notes	Year Ending	
		31-Dec-19	31-Dec-18
Fixed Assets			
Equipment	5	33,785.60	1,984.75
IT Equipment	5	4,791.89	0.00
Renovation	5	62,300.00	0.00
Furniture	5	471.30	570.49
Total Fixed Assets	5	101,348.79	2,555.24
Current Assets			
Receivables		0.00	0.00
Rental Deposit		4,828.00	1,600.00
Cash		1,276,554.46	54,851.40
Total Current Assets		1,281,382.46	56,451.40
Total Assets		1,382,731.25	59,006.64
Payables		458.00	2,725.00
GST Payable / (Receivable)		-5,331.00	-2,330.03
Total Liabilities		-4,873.00	394.97
Net Assets		1,387,604.25	58,611.67
Equity			
Paid-up Capital		1,658,297.60	158,297.60
Accumulated Surplus / (Losses)		-270,693.35	-99,685.93
Total Equity		1,387,604.25	58,611.67

CASH FLOW STATEMENT

	Notes	Year Ending	
		31-Dec-19	31-Dec-18
Cash Flow from Operations			
EBITDA (incl. GST)		-170,130.47	-99,397.94
Tax Expense		0.00	0.00
Change in Receivables		0.00	0.00
Change in Rental Deposit		-3,228.00	-1,600.00
Change in Payables		-2,267.00	2,725.00
Change in GST Payable		-3,000.97	-2,330.03
CFO		-178,626.44	-100,602.97
Cash Flow from Investments			
Equipment		-32,518.02	-2,215.56
IT Equipment		-4,852.48	0.00
Renovation		-62,300.00	0.00
Furniture		0.00	-627.67
CFI		-99,670.50	-2,843.23
Cash Flow from Financing			
Paid-up Capital		1,500,000.00	158,297.60
CFF		1,500,000.00	158,297.60
Total Change in Cash		1,221,703.06	54,851.40

NOTES TO THE FINANCIAL STATEMENTS

1. Product Sales

Product Sales for 2019 were from the sale of Callery's Ice Cream products through the following channels:

	Amount (w/o GST)
NTUC	\$23,437.34
Redmart	\$9,262.00
Ad hoc Sales	\$5,424.00
Honest Bee	\$249.50
Total	\$38,372.84

2. Services

Services Revenue for 2019 were from the consultancy income from Nanyang Beverage at \$7,000 (before GST) per month, starting June 2019. A total of \$49,000 (before GST).

3. Write-off

For the financial year, the Company recognized certain write-off and related handling expenses for products that were expired or spoilt in the process of distribution.

4. Net GST Received / (Paid) to IRAS

The among of GST Received / (Paid) to IRAS are as follows:

Quarter Ending	Amount
31 March 2019	Paid \$483.81
30 June 2019	Paid \$327.62
30 September 2019	Paid \$320.35
31 December 2019	Receive \$5,331.00
Total	Receive \$4,199.22

For the quarter ending 31 December 2019, the increase in gross GST receipts from IRAS arises from GST paid on one-time renovation costs incurred in the quarter.

5. Fixed Assets & Depreciation

The following tables summarize the activities in the Fixed Assets account for 2019.

	Equipment	IT Equipment	Renovation	Furniture	Total
Beginning Value	1,984.75	0.00	0.00	570.49	2,555.24
Purchases	32,518.02	4,852.48	62,300.00	0.00	99,670.50
Sales	0.00	0.00	0.00	0.00	0.00
Write-off	0.00	0.00	0.00	0.00	0.00
Depreciation	-717.17	-60.59	0.00	-99.19	-876.95
Ending Value	33,785.60	4,791.89	62,300.00	471.30	101,348.79

Equipment category primarily includes laboratory equipment, freezers, etc. that are depreciated on a compounded annual depreciation rate of 25%.

IT Equipment category primarily includes computers, projectors, routers, etc. that are depreciated on a compounded annual depreciation rate of 40%.

Renovation category primarily includes renovation works and fixtures that are depreciated on a compounded annual depreciation rate of 25%.

Furniture category primarily includes office furniture that are depreciated on a compounded annual depreciation rate of 20%.

HOOW FOODS PTE. LTD.
UEN 201804459W
(Incorporated in the Republic of Singapore)
(the “Company”)

DIRECTORS’ STATEMENT
AND FINANCIAL STATEMENTS
31 December 2020

DIRECTORS' STATEMENT

The directors present their statement to the members together with the unaudited financial statements of Hoow Foods Pte. Ltd. (the "Company") for the financial year ended 31 December 2020.

OPINION OF THE DIRECTORS

In the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020, and the financial performance, changes in equity and cash flows of the Company for the period.

DIRECTORS

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

1. Ow Yau Png
2. Ho Si Han Sherman
3. Woon Tien Yuan

SHARE OPTIONS

Options to subscribe for unissued shares

During the financial year, no options to subscribe for unissued shares of the Company were granted.

Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

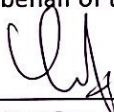
Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

Option against founder shares

At the end of the financial year, NUS Enterprise continues to hold options worth \$100,000 in shares of the company, to be exercised against the collective shareholding of the founders and, upon exercise, shall not have any dilutive effect on other shareholders of the Company.

On behalf of the directors,



Ow Yau Png

Director

Singapore (15 February 2021)



Ho Si Han Sherman

Director

INCOME STATEMENT AS AT 31 DECEMBER 2020

	<u>Notes</u>	<u>Year 2020</u>
REVENUE		
Product Sales	1	8,849.77
Services	2	117,200.00
Grant	3	358,037.70
Total Revenue (w/o GST)		484,087.47
 OPERATING EXPENSES		
Bank Charges		-494.25
CPF Contribution		-137,025.00
Employment Expenses		-943.27
Wages & Salaries		-522,330.08
Sales Commissions		0.00
Courses		-3,167.52
IT Services		-6,455.51
Lab Supplies		-17,059.41
Lab Ingredients		-7,428.06
Legal and Professional Fee		-73,398.00
Marketing		-27,260.15
Meetings & Entertainment		-7,870.53
Miscellaneous		-3,253.25
Office Maintenance		0.00
Office Supplies		-7,496.03
Production		0.00
Rental		-45,913.52
Rental Deposit		0.00
Sales Return		-4,905.28
Seasonal Parking		-3,129.17
Staff Welfare		-10,268.32
Storage Fee		-5,161.00
Telecomms		-1,401.68
Testing		-2,630.00

Hoow Foods Pte. Ltd. Directors' Statement and Financial Statements (31 December 2020)

Write-off		0.00
Total Opex (w/o GST)		-896,243.67
EBITDA (w/o GST)		-412,156.20
GST		
GST Collected w/ Revenue		8,823.36
GST Paid to Vendors		-22,181.96
Net GST Received / (Paid) to IRAS		14,189.64
Net GST Payments		831.04
EBITDA (incl. GST)		-411,325.16
Depreciation	4	-46,492.34
EBIT		-457,817.50
Interest Expense		0.00
Earnings before Tax		-457,817.50
Tax Expense		0.00
Net Earnings		-457,817.50

BALANCE SHEET AS AT 31 DECEMBER 2020

	<u>Notes</u>	<u>Year 2020</u>
Fixed Assets		
Equipment		95,212.93
IT Equipment		16,762.19
Renovation		84,716.84
Furniture		9,375.66
Total Fixed Assets		206,067.62
Current Assets		
Receivables		60,315.55
Rental Deposit		4,828.00
Short-Term Loan		150,000.00
Investment in Subsidiary		50,010.00
Cash		1,461,585.38
Total Current Assets		1,726,738.93
Total Assets		1,932,806.55
Payables		10,133.52
GST Payable / (Receivable)		-1,048.00
Total Liabilities		9,085.52
Net Assets		1,923,721.03
Equity		
Paid-up Capital		2,658,311.32
Accumulated Surplus / (Losses)		-734,590.29
Total Equity		1,923,721.03

CASH FLOW STATEMENT AS AT 31 DECEMBER 2020

	<u>Notes</u>	<u>Year 2020</u>
Cash Flow from Operations		
EBITDA (incl. GST)		-411,325.16
Tax Expenses		0.00
Change in Receivables		-59,743.05
Change in Rental Deposit		0.00
Change in Payables		9,140.52
Change in GST Payable		4,283.00
	CFO	-457,644.69
Cash Flow from Investments		
Equipment		-81,712.66
IT Equipment		-16,758.91
Renovation		-42,420.00
Furniture		-10,319.60
	CFI	-151,211.17
Cash Flow from Financing		
Paid-up Capital		1,000,013.72
	CFF	1,000,013.72
Total Change in Cash		391,157.86

NOTES TO THE FINANCIAL STATEMENTS

1. Product Sales

Product Sales for 2020 were at \$8,849.77 from the sales of Callery's Ice Cream and other Ad-hoc Ingredients.

2. Services

Services revenue were from below:

- a) Consultancy income from Nanyang Beverage at \$7,000 (before GST) per month, starting January 2020. The total value is \$84,000 (before GST).
- b) Research and development income from Mondelez International at \$26,000 (before GST).
- c) Shared cost of GI Testing of sugar from CYH Marketing at \$7,200

3. Government Grant

Government grant were from below:

- a) Government grant reimbursement from Spring Singapore at \$3,008.67, which is 80% of the cost for MYOB Accounting Software and Singtel Zoom Software.
- b) Compensation of reservist from SAF Care Fund (MinDef) at \$5,029.03.
- c) Grant from Temasek Foundation at \$350,000.

4. Fixed Assets & Depreciation

The following tables summarize the activities in the Fixed Assets account for 2020.

	Equipment	IT Equipment	Renovation	Furniture	Total
Beginning Value	100,649.31	18,374.71	89,872.97	9,834.28	218,731.27
Purchases	338.00	0.00	0.00	100.93	338.00
Sales	0.00	0.00	0.00	0.00	0.00
Write-off	0.00	0.00	0.00	0.00	0.00
Depreciation	-5,774.38	-1,612.52	-5,156.13	-458.62	-13,001.65
Ending Value	95,212.93	16,762.19	84,716.84	9,375.66	206,067.62

Equipment category primarily includes laboratory equipment, freezers, etc. that are depreciated on a compounded annual depreciation rate of 25%.

IT Equipment category primarily includes computers, projectors, routers, etc. that are depreciated on a compounded annual depreciation rate of 40%.

Renovation category primarily includes renovation works and fixtures that are depreciated on a compounded annual depreciation rate of 25%.

Furniture category primarily includes office furniture that are depreciated on a compounded annual depreciation rate of 20%.

ROCESO TECHNOLOGIES PRIVATE LIMITED

(Incorporated in Singapore)

Registration Number: 201603898M

UNAUDITED FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

The directors are pleased to present their statement to the members together with the unaudited financial statements of Roceso Technologies Private limited (the "Company") for the financial year ended 31 March 2020.

1. Opinion of the directors

In the opinion of the directors,

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

The Directors have, on the date of this statement, authorised these financial statements for issue.

2. Directors

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

JANE WANG LU
YAP HONG KAI

3. Arrangements to enable directors to acquire shares or debentures

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

4. Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of director	Number of Ordinary Shares	
	At beginning of the financial year	At end of the financial year
JANE WANG LU	304,300	304,300
YAP HONG KAI	304,300	304,300

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

5. Share options

During the financial year, there were:

- (i) no share options granted during the financial year to subscribe for unissued shares of the Company; and
- (ii) no shares issued during the financial year by virtue of any exercise of options to take up unissued shares of the Company.

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

On behalf of the Board of Director



JANE WANG LU



YAP HONG KAI

Singapore

Dated:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

	Note	2020 S\$	2019 S\$
Revenue	4	43,012	-
Cost of sales		(100,133)	(37,463)
Gross Loss		<u>(57,121)</u>	<u>(37,463)</u>
<u>Other Items of Income</u>			
Other Income	5	15,141	14,256
Grant Income	5	-	250,000
<u>Other Items of Expense</u>			
Operating expenses		(395,040)	(273,875)
(Loss) Before Tax from Continuing Operations	6	(437,020)	(47,082)
Income Tax Expense	7	-	-
(Loss) Net of Tax		<u>(437,020)</u>	<u>(47,082)</u>
<u>Other Comprehensive Income</u>			
Other Comprehensive Income, Net of Tax		-	-
Total Comprehensive Income		<u>(437,020)</u>	<u>(47,082)</u>

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Note	2020 S\$	2019 S\$
ASSETS			
<u>Fixed Assets</u>			
Plant and equipment	8	113,262	56,973
<u>Current Assets</u>			
Inventory		-	5,603
Trade and other receivables	9	14,199	2,783
Amount due from a director	10	21,114	-
Cash and cash equivalents	11	69,110	130,833
Total Current Assets		104,423	139,219
Total Assets		217,685	196,192
EQUITY AND LIABILITIES			
Share Capital	12	232,000	232,000
Share Option Reserve		200,000	-
Retained Earnings (Accumulated Losses)		(528,232)	(91,212)
Total Capital Deficiencies / Equity		(96,232)	140,788
<u>Non-current Liabilities</u>			
Convertible Loan	13	200,000	-
<u>Current Liabilities</u>			
Trade and other payables	14	113,177	54,664
Amount due to shareholders	15	740	740
Total Current Liabilities		113,917	55,404
Total Liabilities		313,917	55,404
Total Capital Deficiencies / Equity and Liabilities		217,685	196,192

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

	Share Capital	Retained Earnings (Accumulated Loss)	Total Equity
	S\$	S\$	S\$
Closing Balance at 31 March 2018	132,000	(44,130)	87,870
Issued of share	100,000	-	100,000
Total Comprehensive Income for the year	-	(47,082)	(47,082)
Closing Balance at 31 March 2019	232,000	(91,212)	140,788
Total Comprehensive Income for the year	-	(437,020)	(437,020)
Closing Balance at 31 March 2020	232,000	(528,232)	(96,232)

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	2020	2019
	S\$	S\$
<u>Cash Flows From Operating Activities</u>		
(Loss) Before Tax	(437,020)	(47,082)
Adjustments for:-		
Depreciation charges	25,916	4,673
Loss in foreign exchange	1,723	110
Operating Cash Flows Before Changes in Working Capital	(409,381)	(42,299)
<u>Total Changes in Working Capital</u>		
Inventory	5,603	(5,603)
Trade and other receivables	(11,416)	(896)
Trade and other payables	58,513	35,962
Cash Flows (Used In) / Generated From Operations	(356,681)	29,463
Income tax paid	-	-
Net Cash Flows (Used in) Operating Activities	(356,681)	(12,826)
<u>Cash Flows From Investing Activities</u>		
Purchase of plant and equipment	(82,205)	(61,646)
Net Cash Flows (Used in) Investing Activities	(82,205)	(61,646)
<u>Cash Flows From Financing Activities</u>		
Issuance of share capital	-	100,000
Proceeds from convertible loan	200,000	-
Proceeds from share option reserve	200,000	-
Amount due from a director	(21,114)	-
Net Cash Flows Generated From Financing Activities	378,886	100,000
Net (Decrease) / Increase in Cash and Cash Equivalents	(60,000)	25,518
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	130,833	105,425
Effects of exchange rate change on cash and cash equivalents	(1,723)	(110)
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance	69,110	130,833

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

1 DOMICILE AND ACTIVITIES

Roceso Technologies Private Limited (the "Company") is incorporated in the Republic of Singapore with its registered office at 4 Engineering Drive 3 #04-08 Singapore 117583.

The principal activities of the company are research and experimental development on medical technologies. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the director on the date stated on the Directors' Statement on page 4.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

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

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Uses of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 BASIS OF PREPARATION (Cont'd)

2.5 Key sources of estimation uncertainty

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

(b) Impairment of loans and receivables

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

(c) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value.

2 BASIS OF PREPARATION (Cont'd)

2.6 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

2.7 Changes in accounting policies

The company has applied the following FRS, amendments to and interpretations of FRS for the first time for the annual period beginning on 01 January 2019:

FRS 116 Leases

Other than FRS 116, the application of these amendments to standards and interpretation does not have a material effect on the financial statements.

FRS 116 Leases

The company applied FRS 116 using the modified retrospective approach, under which the cumulative effect – if any – of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the company determined at contract inception whether an agreement was or contained a lease under INT FRS 104 Determining whether an Arrangement contains a Lease. The company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The company applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under FRS 116.

Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 January 2019.

2 BASIS OF PREPARATION (Cont'd)

2.7 Changes in accounting policies (Cont'd)

As a lessee

As a lessee, the Company leases many assets including property, production equipment and IT equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under FRS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under FRS 17

Previously, the Company classified property leases as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if FRS 116 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company did not apply this approach; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Company:

- (a) did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- (b) did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- (c) excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- (d) used hindsight when determining the lease term.

Leases classified as finance leases under FRS 17

The Company did not classify any leases as finance leases under FRS 17.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Financial assets: Business model assessment (Cont'd)

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Financial instruments (Cont'd)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

The Company's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

3.2 Impairment

Non-derivative financial assets and contract assets

Policy applicable from 1 January 2019

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS 115);

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Impairment (Cont'd)

Non-derivative financial assets and contract assets (Cont'd)

General approach (Cont'd)

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Impairment (Cont'd)

Non-derivative financial assets and contract assets (Cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.3 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Plant and equipment (Cont'd)

Recognition and measurement (Cont'd)

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives are as follows:

	<u>Useful life</u>
Office equipment	5 years
Computer & software	3 years
Equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

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

3.6 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Trade discounts

A provision for trade discounts is recognised when the underlying products or services are sold. The provision is based on historical trade discount data and a weighting of all possible outcomes against their associated probabilities.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3.7 Government grants

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

The Company has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the lower of lease term and useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- (a) fixed payments, including in-substance fixed payments;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable under a residual value guarantee; and

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**3.8 Leases (Cont'd)****Policy applicable from 1 January 2019 (Cont'd)****As a lessee (Cont'd)**

- (d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**** Leases - Policy applicable before 1 January 2019**

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

1. fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
2. the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Leases (Cont'd)

**** Leases - Policy applicable before 1 January 2019 (Cont'd)**

As a lessee

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3.9 Finance income and finance costs

Finance income comprises interest income on bank deposits, dividend income and net foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and net foreign currency losses that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Tax (Cont'd)

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 Share capital

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

3.12 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Services

Revenue from services rendered is recognised in profit or loss when the relevant services are rendered.

4 REVENUE

	2020	2019
	S\$	S\$
Services rendered	43,012	-

5 OTHER INCOME

	2020	2019
	S\$	S\$
Government grants – MOM	125	50
Grants support received	15,000	250,000
Interest earned	16	20
Miscellaneous	-	14,186
	15,141	264,256

6 (LOSS) BEFORE TAXATION

	2020	2019
	S\$	S\$
The following items have been included in arriving at (loss) before income tax:		
CPF contribution	12,240	12,240
Directors' CPF	12,120	10,200
Depreciation charges	25,916	4,673
Directors' Remuneration	108,000	64,000
License fee	1,030	10,700
Salary	79,200	119,600

7 INCOME TAX EXPENSE

	2020	2019
	S\$	S\$
Current income tax	-	-
Under / (over) provision in prior years	-	-
Total current income tax	-	-

Relationship between tax expense and accounting (loss)

(Loss) before taxation	(437,020)	(47,082)
Income tax expenses using the statutory tax rate of 17%	(74,293)	(8,004)
Adjustments:		
Tax effect of non-deductible expenses	4,545	795
Tax effect of current year capital allowance	(8,318)	(4,507)
Tax effect of income that are not taxable in determine taxable profit	-	(42,500)
Tax effect of deferred tax asset not recognised	78,066	54,216
Income tax (benefit) / expenses	-	-

8 PLANT & EQUIPMENT

	Office Equipment S\$	Computer & Software S\$	Equipment S\$	Total S\$
<u>Cost</u>				
As at 1 Apr 2019	1,862	-	-	1,862
Additions	-	8,942	52,704	61,464
As at 31 Mar 2019	1,862	8,942	52,704	63,508
Additions	1,641	1,933	78,631	82,205
As at 31 Mar 2020	3,503	10,875	131,335	145,713
<u>Accumulated Depreciation</u>				
As at 1 Apr 2019	1,862	-	-	1,862
Depreciation charges	-	2,142	2,531	4,673
As at 31 Mar 2019	1,862	2,142	2,531	6,535
Depreciation charges	93	3,099	22,724	25,916
As at 31 Mar 2020	1,955	5,241	25,255	32,451
Carrying Amount				
As at 31 Mar 2019	-	6,800	50,173	56,973
As at 31 Mar 2020	1,548	5,634	106,080	113,262

9 TRADE AND OTHER RECEIVABLES

	2020	2019
	S\$	S\$
Trade receivables		
Third party	1,304	-
	<u>1,304</u>	<u>-</u>

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

Significant estimation uncertainty

Trade receivables are recorded at the invoiced amount and do not bear interest. The Company reviews its allowance for doubtful receivables monthly on the basis of factors that affect collectability of the individual amounts. Balances which are over the credit limit or are past due are reviewed individually for collectability and evaluate if allowance for doubtful debts is necessary. Based on the Company's monitoring of customer credit risk, the Company believes that, apart from the below, no impairment loss is necessary in respect of trade receivables past due more than 90 days as it relates to customers that have good payment record with the Company.

The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilised different estimates. An increase in the Company's allowance for doubtful account would increase the Company's recorded other operating expenses and decreases current assets.

Receivables that are past due but not impaired

The Company's trade receivables that were not impaired at the reporting date were as follows:

	2020	2019
	S\$	S\$
<u>Trade receivables past due but not impaired</u>		
Lesser than 30 days	1,304	-
30-60 days	-	-
61-90 days	-	-
More than 90 days	-	-
Total trade receivables past due but not impaired	<u>1,304</u>	<u>-</u>

	2020	2019
	S\$	S\$
Other receivables		
Deposits	12,010	-
Prepayments	-	2,028
Loan from third party	130	-
Advanced payment to supplier	755	755
	<u>12,895</u>	<u>2,783</u>

10 AMOUNTS DUE FROM A DIRECTOR

The amounts due from a director are unsecured, interest-free and repayable on demand.

11 CASH AND CASH EQUIVALENTS

	2020	2019
	S\$	S\$
Cash at bank	69,110	130,833

12 SHARE CAPITAL

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

	2020		2019	
<u>Issued and fully paid-up ordinary shares</u>	<u>No. of shares</u>	<u>S\$</u>	<u>No. of shares</u>	<u>S\$</u>
At 1 Apr and 31 March	1,020,408	232,000	1,020,408	232,000

	2020	2019
	S\$	S\$
Outstanding at 1 Apr	-	-
Granted	200,000	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding as at 31 Mar	200,000	-
Exercisable at 31 Mar	-	-

13 CONVERTIBLE NOTE

	2020	2019
	S\$	S\$
Convertible notes	200,000	-

The interest rate is 10% per annum and the maturity date is 24 months from the date of signing the agreement. In the event that the investment from the investors is not completed within 2 years from the signing of the Convertible Note Agreement, the investor can elect to either redeem the C-Note at face value with accrued interest or convert the C-Note into such number of ordinary shares.

14 TRADE AND OTHER PAYABLES

	2020	2019
	S\$	S\$
Trade payables		
Third party	94,620	36,822
	<u>94,620</u>	<u>36,822</u>

These amounts are non-interest bearing. Trade payables are normally settled on 30 days' terms.

	2020	2019
	S\$	S\$
Other payables		
- Accruals	995	17,192
- Payroll payables	17,562	650
	<u>18,557</u>	<u>17,842</u>

The contracted undiscounted cash outflows on other payables are expected to approximate their carrying amounts and settled within one year.

15 AMOUNTS DUE TO SHAREHOLDERS

The amounts due to shareholders are unsecured, interest-free and repayable on demand.

16 CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2019.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 31 March 2019.

17 FINANCIAL RISK MANAGEMENT

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

- (a) Foreign currency risk - The Company has no exposure to foreign exchange risk as the company conducts its transactions in multi currencies.
- (b) Interest rate risk - The Company has no significant exposure to interest rate risk except from those that arise from the company's bank account.
- (c) Credit risk - The Company has no significant concentrations of credit risk. The policies in place to ensure that sales of products and services rendered are made to customers with adequate financial standing and appropriate credit history.
- (d) Liquidity risk - In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the company to finance the company's operations and mitigate the effects of fluctuations in cash flows.
- (e) Fair value risk - The fair value of the company's financial assets and financial liabilities reported in the balance sheet approximate their carrying value due to their short term financial instruments.

ROCESO TECHNOLOGIES PRIVATE LIMITED

(Incorporated in Singapore)

Registration Number: 201603898M

UNAUDITED FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

We are pleased to submit this annual report to the member of the Company together with the unaudited financial statements for the financial year ended 31 March 2019.

In our opinion:

- (a) the financial statements set out 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 ended 31 March 2019 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Directors have, on the date of this statement, authorised these financial statements for issue.

1. Directors

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

JANE WANG LU
 NEO KOK BENG (Resigned on 19 March 2019)
 YAP HONG KAI (Appointed on 19 March 2019)

2. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial period had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors shareholdings kept by the company under section 164 of the Companies Act, Chapter 50, except as follows:

Name of directors	Number of Ordinary Shares	
	At the beginning of financial year	At end of the the financial year
JANE WANG LU	3,059	304,300
NEO KOK BENG (Resigned on 19 March 2019)	460	46,000
YAP HONG KAI (Appointed on 19 March 2019)	-	304,300

Neither at the end of, nor at any time during the financial period, 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.

3. Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

On behalf of the Board of Directors

On behalf of the Directors



Jane Wang Lu
Director



Yap Hong Kai
Director

Singapore

Dated: 16th Oct 2019

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

		1-Apr-2018 to 31-Mar-2019	1-Apr-2017 to 31-Mar-2018 (Restated)	1-Apr-2017 to 31-Mar-2018
	Note	S\$	S\$	S\$
Revenue		-	-	-
Cost of sales		(37,463)	-	-
Gross Profit		(37,463)	-	-
<u>Other Items of Income</u>				
Other Income	4	14,256	1,365	1,365
Grants Income	4	250,000	100,000	100,000
<u>Other Items of Expense</u>				
Operating Expenses		(273,875)	(133,566)	(133,566)
(Loss) Before Tax from Continuing Operations	5	(47,082)	(32,201)	(32,201)
Income Tax Benefit / (Expense)	6	-	-	-
(Loss) Net of Tax		(47,082)	(32,201)	(32,201)
<u>Other Comprehensive Income</u>				
Other Comprehensive Income, Net of Tax		-	-	-
Total Comprehensive Income		(47,082)	(32,201)	(32,201)

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

		2019	2018	2018
	Note	S\$	(Restated) S\$	S\$
ASSETS				
<u>Non-current Assets</u>				
Plant & equipment	8	56,973	-	-
<u>Current Assets</u>				
Inventory		5,603	-	-
Other debtors	9	2,783	1,887	1,887
Cash and bank balances	10	130,833	105,425	105,425
Total Current Assets		139,219	107,312	107,312
Total Assets		196,192	107,312	107,312
EQUITY AND LIABILITIES				
Share Capital	7	232,000	132,000	10,000
Retained Earnings (Accumulated Losses)		(91,212)	(44,130)	(44,130)
Total Equity		140,788	87,870	(34,130)
<u>Current Liabilities</u>				
Trade and other payables	11	54,664	18,702	18,702
Amount due to shareholders	12	740	740	122,740
Total Current Liabilities		55,404	19,442	141,442
Total Equity and Liabilities		196,192	107,312	107,312

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

STATEMENT OF CHANGE IN EQUITY

For the financial year ended 31 March 2019

	Share Capital	Retained Earnings (Accumulated Losses)	Total Equity
	S\$	S\$	S\$
Closing Balance at 31 March 2017	1,000	(11,929)	(10,929)
Issued during the year (restated)	131,000	-	131,000
Total Comprehensive Income for the year	-	(32,201)	(32,201)
Restated Closing Balance at 31 March 2018	132,000	(44,130)	87,870
Issued during the year	100,000	-	100,000
Total Comprehensive Income for the year	-	(47,082)	(47,082)
Closing Balance at 31 March 2019	232,000	(91,212)	140,788

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	1-Apr-2018 to 31-Mar-2019 S\$	1-Apr-2017 to 31-Mar-2018 (Restated) S\$	1-Apr-2017 to 31-Mar-2018 S\$
<u>Cash Flows From Operating Activities</u>			
(Loss) before Tax	(47,082)	(32,201)	(32,201)
Adjustment for:			
Depreciation of plant and equipment	4,673	1,862	1,862
Loss in foreign exchange	110	-	-
Operating Cash Flows Before Changes in Working capital	(42,299)	(30,339)	(30,339)
<u>Changes in Working Capital</u>			
Inventory	(5,603)	-	-
Trade and other receivables	(896)	(1,887)	(1,887)
Trade and other payables	35,962	18,702	18,702
Total Changes in Working Capital	29,463	16,815	16,815
Cash Flows (Used in) Operating Activities	(12,836)	(13,524)	(13,524)
Income tax paid	-	-	-
Net Cash Flows (Used in) Operating Activities	(12,836)	(13,524)	(13,524)
<u>Cash Flows From Investing Activities</u>			
Purchase of Plant and Equipment	(61,646)	(1,862)	(1,862)
Net Cash Flows (Used in) Investing Activities	(61,646)	(1,862)	(1,862)
<u>Cash Flows From Financing Activities</u>			
Proceed from shares issued	100,000	131,000	9,000
Amount due to shareholders	-	(30,260)	91,740
Net Cash Flows From Financing Activities	100,000	100,740	100,740
Net Increase in Cash and Cash Equivalents	25,518	85,354	85,354
Cash and Cash Equivalents, Cash Flow Statement, beginning balance	105,425	20,071	20,071
Effects of exchange rate changes on cash and cash equivalents	(110)	-	-
Cash and Cash Equivalents, Cash Flow Statement, ending Balance	130,833	105,425	105,425

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

1 GENERAL

The company is incorporated in the Republic of Singapore with its registered office at 4 Engineering Drive 3 #04-08 Singapore 117583.

The principal activities of the company are research and experimental development on medical technologies. There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the directors on the date stated on the Directors' Statement on page 4.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

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

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Uses of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Key sources of estimation uncertainty

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

b) Impairment of loans and receivables

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

c) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value.

2.6 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

2.6 Impairment of non-financial assets (Cont'd)

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

3.1 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets comprise loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using effective interest method, less any impairment losses.

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

Cash and cash equivalents comprise cash at bank balances.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise bank overdraft, and trade and other payables.

3.1 Financial instruments (Cont'd)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.2 Impairments

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy or economic conditions that correlate with defaults.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

3.2 Impairments (Cont'd)

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.3 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful live is as follow:

Office equipment	1 year
Computer & Software	3 years
Equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Accounting for leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance lease

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period. Plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

3.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

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

3.7 Government grants

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

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

3.8 Finance income and finance costs

Finance income comprises interest income on bank deposits, dividend income and net foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and net foreign currency losses that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.9 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.10 Share capital

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

3.11 Contingencies

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

3.12 Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

3.13 Foreign currency balances and transactions

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslations of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3.14 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and earlier application is permitted, however, the Company has not early applied the following new or amended standards in preparing these financial statements. None of these changes are expected to have a significant effect on the financial statements of the Company.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019

The management anticipates that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The company does not plan to early adopt these FRSs.

The nature of the impending changes in accounting policy on adoption of FRS 116 is described below:

the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

FRS 116 Leases

FRS 116 was issued in June 2014 and will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

4 OTHER INCOME

	1-Apr-2018 to 31-Mar-2019	1-Apr-2017 to 31-Mar-2018 (Restated)	1-Apr-2017 to 31-Mar-2018
	S\$	S\$	S\$
Government grants - MOM	50	-	-
Grants support received	250,000	100,000	100,000
Award	-	1,345	1,345
Interest earned	20	20	20
Miscellaneous income	14,186	-	-
	<u>264,256</u>	<u>101,365</u>	<u>101,365</u>

5 (LOSS) BEFORE TAXATION

	1-Apr-2018 to 31-Mar-2019	1-Apr-2017 to 31-Mar-2018 (Restated)	1-Apr-2017 to 31-Mar-2018
	S\$	S\$	S\$
(Loss) before taxation has been arrived at after charging:			
CPF contribution	12,240	12,216	12,216
Depreciation	4,673	1,862	1,862
Director remuneration	74,200	43,000	43,000
License fee	10,700	17,655	17,655
Salary	<u>119,600</u>	<u>37,709</u>	<u>37,709</u>

6 TAXATION

The income tax benefits varied from the amount of income tax benefits by applying the Singapore income tax rate of 17% to (loss) before income tax as a result of following differences:

	1-Apr-2018 to 31-Mar-2019	1-Apr-2017 to 31-Mar-2018 (Restated)	1-Apr-2017 to 31-Mar-2018
	S\$	S\$	S\$
(Loss) before income tax	<u>(47,082)</u>	<u>(32,201)</u>	<u>(32,201)</u>
Income tax expense at statutory rate - 17%	(8,004)	(5,474)	(5,474)
Tax effect of expenses that are not deductible in determine taxable profit	795	5,474	5,474
Tax effect of income that are not taxable in In determine taxable profit	(42,500)	-	-
Tax effect of capital allowance	(4,507)	-	-
Tax effect of unutilised losses	<u>54,216</u>	<u>-</u>	<u>-</u>
Income tax benefits	<u>-</u>	<u>-</u>	<u>-</u>

7 PLANT & EQUIPMENT

	Office equipment S\$	Computer & Software S\$	Equipment S\$	Total S\$
Cost				
As at 1 Apr 2017	-	-	-	-
Additions	1,862	-	-	1,862
As at 31 Mar 2018	1,862	-	-	1,862
Additions	-	8,942	52,704	61,646
As at 31 Mar 2019	1,862	8,942	52,704	63,508
Accumulated Depreciation				
As at 1 Apr 2017	-	-	-	-
Depreciation charge	1,862	-	-	1,862
As at 31 Mar 2018	1,862	-	-	1,862
Depreciation charge	-	2,142	2,531	4,673
As at 31 Mar 2019	1,862	2,142	2,531	6,535
Net Book Value				
As at 31 Mar 2018	-	-	-	-
As at 31 Mar 2019	-	6,800	50,173	56,973

8 OTHER RECEIVABLES

	2019	2018	2018
	S\$	S\$	S\$
		(Restated)	
Prepayments	2,028	1,887	1,887
Advance payment to supplier	755	-	-
	<u>2,783</u>	<u>1,887</u>	<u>1,887</u>

9 CASH AND CASH EQUIVALENTS

	2019	2018	2018
	S\$	S\$	S\$
		(Restated)	
Maybank - SGD	<u>130,833</u>	<u>105,425</u>	<u>105,425</u>

10 SHARE CAPITAL

	2019	2018	2018
	S\$	S\$	S\$
		(Restated)	
Issued and fully paid-up – 1,020,408 ordinary shares at S\$0.22735 each (2018: 10,000 ordinary shares at S\$13.20 each)	<u>232,000</u>	<u>132,000</u>	<u>10,000</u>

11 TRADE AND OTHER PAYABLES

	2019	2018	2018
	S\$	S\$	S\$
		(Restated)	
Trade payables	36,822	-	-
Other payables	-	1,510	1,510
Payroll payables	17,192	17,192	17,192
Accrual	650	-	-
	<u>54,664</u>	<u>18,702</u>	<u>18,702</u>

12 AMOUNT DUE TO SHAREHOLDERS

Amount due to shareholders is unsecured, interest free and repayable on demand.

13 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including foreign currency risk, interest rates risk, credit risks and liquidity risk.

The company reviews and agrees policies for managing each of these risks, and they are summarised as follows:

- (a) Foreign currency risk - The Company has exposure to foreign exchange risk as the company conducts its transactions in multi currencies.
- (b) Interest rate risk - The Company has no significant exposure to interest rate risk except from those that arise from the company's bank account.
- (c) Credit risk - The Company has no significant concentrations of credit risk. The policies in place to ensure that sales of products and services rendered are made to customers with adequate financial standing and appropriate credit history.
- (d) Liquidity risk - In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the company to finance the company's operations and mitigate the effects of fluctuations in cash flows.
- (e) Fair value risk - The fair value of the company's financial assets and financial liabilities reported in the balance sheet approximate their carrying value due to their short term financial instruments.

ROCESO TECHNOLOGIES PRIVATE LIMITED

(Incorporated in Singapore)

Registration Number: 201603898M

UNAUDITED FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

We are pleased to submit this annual report to the member of the Company together with the unaudited financial statements for the financial year ended 31 March 2018.

In our opinion:

- (a) the financial statements set out are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended 31 March 2018 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Directors have, on the date of this statement, authorised these financial statements for issue.

1. Directors

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

JANE WANG LU
NEO KOK BENG

2. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial period had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors shareholdings kept by the company under section 164 of the Companies Act, Chapter 50, except as follows:

Name of directors	Number of Ordinary Shares	
	At the beginning of financial year	At end of the financial year
JANE WANG LU	3,059	3,059
NEO KOK BENG	460	460

Neither at the end of, nor at any time during the financial period, 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.

3. Share options

During the financial period, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

On behalf of the Board of Directors

On behalf of the Directors



Jane Wang Lu
Director



Neo Kok Beng
Director

Singapore

Dated:

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

		1-Apr-2017 to 31-Mar-2018 S\$	16-Feb-2016 to 31-Mar-2017 S\$
Revenue		-	-
Cost of sales		-	-
Gross Profit		-	-
<u>Other Items of Income</u>			
Other Income	4	101,365	-
<u>Other Items of Expense</u>			
Operating Expenses		(133,566)	(11,929)
(Loss) Before Tax from Continuing Operations	5	(32,201)	(11,929)
Income Tax Benefit (Expense)	6	-	-
(Loss) Net of Tax		(32,201)	(11,929)
<u>Other Comprehensive Income</u>			
Other Comprehensive Income, Net of Tax		-	-
Total Comprehensive Income		(32,201)	(11,929)

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

		2018 S\$	2017 S\$
ASSETS			
<u>Non-current Assets</u>			
Plant & equipment	7	-	-
<u>Current Assets</u>			
Other debtors	8	1,887	-
Cash and bank balances		105,425	20,071
Total Current Assets		<u>107,312</u>	<u>20,071</u>
Total Assets		<u><u>107,312</u></u>	<u><u>20,071</u></u>
EQUITY AND LIABILITIES			
Share Capital	9	10,000	1,000
Retained Earnings (Accumulated Losses)		(44,130)	(11,929)
Total Equity		<u>(34,130)</u>	<u>(10,929)</u>
<u>Current Liabilities</u>			
Other payables	10	18,702	-
Amount due to shareholders	11	122,740	31,000
Total Current Liabilities		<u>141,442</u>	<u>31,000</u>
Total Liabilities		<u><u>141,442</u></u>	<u><u>31,000</u></u>
Total Equity and Liabilities		<u><u>107,312</u></u>	<u><u>20,071</u></u>

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

STATEMENT OF CHANGE IN EQUITY

For the financial year ended 31 March 2018

	Share Capital	Retained Earnings (Accumulated Losses)	Total Equity
	S\$	S\$	S\$
Beginning of financial period, 16 Feb 2016	-	-	-
Issued during the period	1,000	-	1,000
Total Comprehensive Income for the period	-	(11,929)	(11,929)
Closing Balance at 31 March 2017	1,000	(11,929)	(10,929)
Issued during the year	9,000	-	9,000
Total Comprehensive Income for the year	-	(32,201)	(32,201)
Closing Balance at 31 March 2018	10,000	(44,130)	(34,130)

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	1-Apr-2017 to 31-Mar-2018 S\$	16-Feb-2016 to 31-Mar-2017 S\$
<u>Cash Flows From Operating Activities</u>		
(Loss) before Tax	(32,201)	(11,929)
Adjustment for:		
Depreciation of plant and equipment	1,862	-
Operating Cash Flows Before Changes in Working Capital	<u>(30,339)</u>	<u>(11,929)</u>
<u>Changes in Working Capital</u>		
Trade and other receivables	(1,887)	-
Trade and other creditors	18,702	-
Total Changes in Working Capital	<u>16,815</u>	<u>-</u>
Cash Flows (Used in) Operating Activities	(13,524)	(11,929)
Income tax paid	-	-
Net Cash Flows (Used in) Operating Activities	<u>(13,524)</u>	<u>(11,929)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of Plant and Equipment	(1,862)	-
Net Cash Flows (Used in) Investing Activities	<u>(1,862)</u>	<u>-</u>
<u>Cash Flows From Financing Activities</u>		
Proceed from shares issued	9,000	1,000
Amount due to shareholders	91,740	31,000
Net Cash Flows From Financing Activities	<u>100,740</u>	<u>32,000</u>
Net Increase in Cash and Cash Equivalents	85,354	20,071
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	20,071	-
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance	<u><u>105,425</u></u>	<u><u>20,071</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

1 GENERAL

The company is incorporated in the Republic of Singapore with its registered office at 4 Engineering Drive 3 #04-08 Singapore 117583.

The principal activities of the company are research and experimental development on medical technologies. There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the directors on the date stated on the Directors' Statement on page 4.

2 BASIS OF PREPARATION

2.1 Basis of accounting

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Uses of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

3.1 Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the translation. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets comprise loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using effective interest method, less any impairment losses.

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

Cash and cash equivalents comprise cash at bank balances.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3.2 Financial instruments (Cont'd)

Non-derivative financial liabilities (Cont'd)

Other financial liabilities comprise bank overdraft, and trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income/other operating expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

3.3 Plant and equipment (Cont'd)

The estimated useful lives are as follows:

	<u>No. of year</u>
Office equipment	1

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Impairments

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy or economic conditions that correlate with defaults.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

3.4 Impairments (Cont'd)

Loans and receivables (Cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Non-financial assets

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.5 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

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

3.6 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Trade discounts

A provision for trade discounts is recognised when the underlying products or services are sold. The provision is based on historical trade discount data and a weighting of all possible outcomes against their associated probabilities.

3.7 Revenue

There were no sales during the current financial period reported on.

3.8 Finance income and finance costs

Finance income comprises interest income on bank deposits, dividend income and net foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and net foreign currency losses that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.9 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.9 Tax (Cont'd)

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.10 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017 and earlier application is permitted, however, the Company has not early applied the following new or amended standards in preparing these financial statements. None of these changes are expected to have a significant effect on the financial statements of the Company.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

Description	Effective for annual periods beginning on or after
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115 Clarification to FRS 115 Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40 <i>Investment Property: Transfers of Investment Property</i>	1 January 2018
FRS 116 Leases	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019

The management anticipates that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The company does not plan to early adopt these FRSs.

The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 is described below:

3.10 New standards and interpretations not adopted (Cont'd)

FRS 109 Financial Instruments

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

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

3.10 New standards and interpretations not adopted (Cont'd)

FRS 115 Revenue from Contracts with Customers (Cont'd)

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

4 OTHER INCOME

	1-Apr-2017 to 31-Mar-2018 S\$	16-Feb-2016 to 31-Mar-2017 S\$
Grants	100,000	-
Award	1,345	-
Interest earned	20	-
	<u>101,365</u>	<u>-</u>

5 (LOSS) BEFORE TAXATION

	1-Apr-2017 to 31-Mar-2018 S\$	16-Feb-2016 to 31-Mar-2017 S\$
(Loss) before taxation has been arrived at after charging:		
Depreciation	1,862	-
Director remuneration	43,000	-
Salary	37,709	-
	<u>42,571</u>	<u>-</u>

6 TAXATION

The income tax expense varied from the amount of income tax expense by applying the Singapore income tax rate of 17% to (loss) before income tax as a result of following differences:

	1-Apr-2017 to 31-Mar-2018 S\$	16-Feb-2016 to 31-Mar-2017 S\$
(Loss) before income tax	(32,201)	(11,929)
Income tax expense at statutory rate - 17%	(5,474)	(2,028)
Tax effect of expenses that are not deductible in determine taxable profit	5,474	2,028
Income tax expenses	-	-

7 PLANT & EQUIPMENT

	Office equipment S\$	Total S\$
Cost		
As at 1 Apr 2017	-	-
Additions	1,862	1,862
As at 31 Mar 2018	1,862	1,862
Accumulated Depreciation		
As at 1 Apr 2017	-	-
Depreciation charge	1,862	1,862
As at 31 Mar 2018	1,862	1,862
Net Book Value		
As at 31 Mar 2018	-	-

8 OTHER RECEIVABLES

	2018 S\$	2017 S\$
Prepayments	1,887	-
	1,887	-

9 SHARE CAPITAL

	2018 S\$	2017 S\$
Issued and fully paid-up -10,000/1,000 ordinary shares at S\$1.00 each	10,000	1,000

10 OTHER PAYABLES

	2018	2017
	S\$	S\$
Other payables	1,510	-
Payroll payables	17,192	-
	<u>18,702</u>	<u>-</u>

11 AMOUNT DUE TO SHAREHOLDERS

Amount due to shareholders is unsecured, interest free and repayable on demand.

12 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including foreign currency risk, interest rates risk, credit risks and liquidity risk.

The company reviews and agrees policies for managing each of these risks, and they are summarised as follows:

- (a) Foreign currency risk - The Company has exposure to foreign exchange risk as the company conducts its transactions in multi currencies.
- (b) Interest rate risk - The Company has no significant exposure to interest rate risk except from those that arise from the company's bank account.
- (c) Credit risk - The Company has no significant concentrations of credit risk. The policies in place to ensure that sales of products and services rendered are made to customers with adequate financial standing and appropriate credit history.
- (d) Liquidity risk - In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the company to finance the company's operations and mitigate the effects of fluctuations in cash flows.
- (e) Fair value risk - The fair value of the company's financial assets and financial liabilities reported in the balance sheet approximate their carrying value due to their short term financial instruments.

ROCESO TECHNOLOGIES PRIVATE LIMITED

(Incorporated in Singapore)

Registration Number: 201603898M

UNAUDITED FINANCIAL STATEMENTS

For the financial period ended 31 March 2017

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DIRECTORS' STATEMENT

For the financial period ended 31 March 2017

The directors present the first annual report to the members together with the financial statements of the company for the financial period from 16 February 2016 (date of incorporation) to 31 March 2017.

1 DIRECTORS

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

JANE WANG LU (Appointed on 16 Feb 2016)

NEO KOK BENG (Appointed on 29 Mar 2017)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial period was the company a party to any arrangement whose object 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.

3 DIRECTORS' CONTRACTUAL BENEFITS

Since the date of incorporation, no directors of the company has received or become entitled to receive a benefit by reason of a contract made by the company with the directors or a related corporation with the directors or with a firm which directors is a member or with a company in which directors has a substantial financial interest.

4 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial period had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors shareholdings kept by the company under section 164 of the Companies Act, Chapter 50, except as follows:

Name of directors	Number of Ordinary Shares	
	At the beginning of the financial period	At end of the financial period
JANE WANG LU	-	305.90
NEO KOK BENG	-	46.00

5 SHARE OPTIONS

No option to take up unissued shares of the company was granted during the financial period. There were no shares issued during the financial period by virtue of the exercise of option to take up unissued shares of the company whether granted before or during the financial period. There were no unissued shares of the company as at the end of the financial period.

6 OPINION OF THE DIRECTORS

We, the undersigned, being the directors of ROCESO TECHNOLOGIES PRIVATE LIMITED, do hereby state that, in the opinion of the directors:

- (a) the accompanying statement of financial position, statement of comprehensive income and statement of changes in equity and cash flow statement together with the notes there to are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2017 and of the financial performance of the business, changes in equity and cash flows of the company for the financial period from 16 February 2016 (date of incorporation) to 31 March 2017, 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.

On behalf of the Directors

Jane Wang Lu
Director

Neo Kok Beng
Director

Singapore

Dated: 15 August 2017

STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 31 March 2017

	Note	16-Feb-2016 to 31-Mar-2017 S\$
Revenue	3	-
Cost of sales		-
Gross Profit		<hr/> -
<u>Other Items of Income</u>		
Other Income		-
<u>Other Items of Expense</u>		
Operating Expenses		(11,929)
(Loss) Before Tax from Continuing Operations		<hr/> (11,929)
Income Tax Benefit (Expense)	4	-
(Loss) Net of Tax		<hr/> (11,929) <hr/>
<u>Other Comprehensive Income</u>		
Other Comprehensive Income, Net of Tax		-
Total Comprehensive Income		<hr/> (11,929) <hr/>

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

		2017
		S\$
ASSETS		
<u>Current Assets</u>		
Cash and bank balances		20,071
Total Current Assets		<u>20,071</u>
Total Assets		<u><u>20,071</u></u>
 EQUITY AND LIABILITIES		
Share Capital	5	1,000
Retained Earnings (Accumulated Loss)		(11,929)
Total Equity		<u><u>(10,929)</u></u>
 <u>Current Liabilities</u>		
Amount due to directors	6	31,000
Total Current Liabilities		<u>31,000</u>
Total Liabilities		<u><u>31,000</u></u>
Total Equity and Liabilities		<u><u>20,071</u></u>

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

STATEMENT OF CHANGE IN EQUITY

For the financial period ended 31 March 2017

	Share Capital	Retained Earnings (Accumulated Loss)	Total Equity
	S\$	S\$	S\$
Beginning of financial period, 16 Feb 2016	-	-	-
Issued during the period	1,000	-	1,000
Total Comprehensive Income for the period	-	(11,929)	(11,929)
Closing Balance at 31 March 2017	<u>1,000</u>	<u>(11,929)</u>	<u>(10,929)</u>

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

STATEMENT OF CASH FLOWS

For the financial period ended 31 March 2017

	16-Feb-2016 to 31-Mar-2017 S\$
<u>Cash Flows From Operating Activities</u>	
(Loss) before Tax	(11,929)
Operating Cash Flows Before Changes in Working Capital	<u>(11,929)</u>
Income tax paid	-
Net Cash Flows (Used in) Operating Activities	<u>(11,929)</u>
<u>Cash Flows From Financing Activities</u>	
Proceed from shares issued	1,000
Amount due to directors	31,000
Net Cash Flows From Financing Activities	<u>32,000</u>
Net Increase in Cash and Cash Equivalents	20,071
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	-
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance	<u>20,071</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 March 2017

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

1 GENERAL

The company is incorporated in the Republic of Singapore with its registered office at 4 Engineering Drive 3 #04-08 Singapore 117583.

The principal activities of the company are research and experimental development on medical technologies. There have been no significant changes in the nature of these activities during the financial period.

The company was incorporated on 16 February 2016.

The financial statements were approved and authorised for issue to the shareholders by the board of directors on 30 September 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, and are drawn up in accordance with the provision of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in Singapore dollars, which is the functional currency of the company.

2.2 Plant and equipment

Plant and equipment are stated at cost or valuation less accumulated depreciation and impairment loss, if any. Depreciation of plant and equipment is calculated on the straight-line basis to write off the cost of the assets over their estimated useful lives.

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

2.3 Impairments

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recorded in the profit and loss account.

2.4 Income tax

The company accounts for income taxes using the asset and liability method which requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statement or tax returns. The measurements of current and deferred tax liabilities and assets are based on provision of the enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence are not expected to be realised. A deferred tax liability is recognised for all taxable temporary differences.

2.5 Revenue Recognition

Revenue represents income from invoiced sales of goods and services, less sales discounts.

2.6 Foreign currency balances & transactions

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslations of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2.7 Trade and other receivables

Trade and other receivables are carried at original invoice amount less provision for doubtful receivable based on a review of all outstanding amounts at the balance sheet date. Bad debts are written off when identified.

2.8 Trade and other payables

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

2.9 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and at bank, demand deposits and short-term, highly liquid investment readily convertible to known amounts of cash and subject to insignificant risk of changes in values.

3 REVENUE

Revenue is recognised when goods are delivered and services are rendered and accepted by the customer.

4 TAXATION

The income tax expense varied from the amount of income tax expense by applying the Singapore income tax rate of 17% to (loss) before income tax as a result of following differences:

	16-Feb-2016 to 31-Mar-2017 S\$
(Loss) before income tax	(11,929)
	<hr/>
Income tax expense at statutory rate - 17%	(2,028)
Tax effect of expenses that are not deductible in determine taxable profit	2,028
	<hr/>
Income tax expenses	-
	<hr/>

5 SHARE CAPITAL

	16-Feb-2016 to 31-Mar-2017 S\$
Issued and fully paid-up -1,000 ordinary shares at S\$1.00 each	1,000
	<hr/>

6 AMOUNT DUE TO DIRECTORS

Amount due to directors is unsecured, interest free and repayable on demand.

7 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including foreign currency risk, interest rates risk, credit risks and liquidity risk.

The company reviews and agrees policies for managing each of these risks, and they are summarised as follows:

- (a) Foreign currency risk - The Company has exposure to foreign exchange risk as the company conducts its transactions in multi currencies.
- (b) Interest rate risk - The Company has no significant exposure to interest rate risk except from those that arise from the company's bank account.
- (c) Credit risk - The Company has no significant concentrations of credit risk. The policies in place to ensure that sales of products and services rendered are made to customers with adequate financial standing and appropriate credit history.
- (d) Liquidity risk - In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the company to finance the company's operations and mitigate the effects of fluctuations in cash flows.
- (e) Fair value risk - The fair value of the company's financial assets and financial liabilities reported in the balance sheet approximate their carrying value due to their short term financial instruments.

ROCESO TECHNOLOGIES PRIVATE LIMITED
(Incorporated in Singapore)

THE ACCOMPANYING DETAILED INCOME STATEMENT
HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY
AND DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

16-Feb-2016

to

31-Mar-2017

S\$

Revenue	-
Cost of Sales	-
Gross Profit	-
Other Income	-
<u>Operating Expenses</u>	
Bank fees	(12)
Events	(424)
Legal & Professional Fees	(11,224)
Printing & Stationery	(269)
	(11,929)
(Loss) before tax for the period	(11,929)

Company Registration No. 201830281H

Beep Technologies Pte. Ltd.

Unaudited Annual Financial Statements
For the financial year ended 30 June 2020

Beep Technologies Pte. Ltd.

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Beep Technologies Pte. Ltd.**Directors' statement**

The directors present their statement to the member together with the unaudited annual financial statements of Beep Technologies Pte. Ltd. (the "Company") for the financial year ended 30 June 2020.

Opinion of the directors

In the opinion of the directors,

- (i) 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 30 June 2020 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Terence Tan Wei Jie
 Kristoffer Jacek Soh Zhi Wei
 Sia Teck Chong

(Appointed on 19 February 2020)

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 or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholding required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares, share options, warrants or debentures of the Company, its holding companies, or of related corporations, either at the beginning of the financial year or date of appointment, if later, or at the end of the financial year except as stated below:

Name of director	Direct interest	Direct interest	Deemed interest	Deemed interest
	At beginning of financial year or date of appointment if later	At end of financial year	At beginning of financial year or date of appointment if later	At end of financial year
<i>Ordinary shares of the Company</i>				
Terence Tan Wei Jie	37,500	31,667	–	–
Kristoffer Jacek Soh Zhi Wei	37,500	34,481	–	–

Beep Technologies Pte. Ltd.**Directors' statement****Employee Share options**

The Employee Share Option Programme (the "Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 15 December 2019. The Scheme is administered by the Company's board of directors.

Other information regarding the scheme is set out below:

- The Board shall determine in its sole and absolute discretion the exercise price. The exercise price is typically set out in the Letter(s) of Offer to employees who are nominated by the Board to participate in the Company's ESOP Scheme.
- The Board shall determine in its sole and absolute discretion the exercise period. The exercise period is typically set out in the Letter(s) of Offer to employees who are nominated by the Board to participate in the Company's ESOP Scheme.
- The employees are entitled to ordinary shares which carry 1 vote per share.

At the end of the financial year, details of the options granted under the Scheme on the unissued ordinary shares of the Company, are as follows:

Year of grant of options	Subscription price per share (S\$)	Options outstanding at Start of Year	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at End of Year	Number of option holders at End of Year
2019	TBA	–	10,000	–	–	10,000	2
2020	TBA	10,000	–	1,852	–	8,148	3
		10,000	10,000	1,852	–	8,148	3


Exemption from audit

The directors are of the opinion that the Company is entitled to exemption from audit under Section 205(C)(1) of the Singapore Companies Act, Chapter 50 for the financial year ended 30 June 2020.

The directors confirms that no member has requested for an audit under Section 205C(3) of the Singapore Companies Act, Chapter 50.

On behalf of Board of Directors:

DocuSigned by:


11FF63204F91456...

Terence Tan Wei Jie
Director

DocuSigned by:


3FE134D3608340D...

Kristoffer Jacek Soh Zhi Wei
Director

Singapore
11 August 2020

Beep Technologies Pte. Ltd.**Statement of comprehensive income
For the financial year ended 30 June 2020**

	Notes	2020 S\$	4.9.2018 (date of incorporation) to 30.6.2019 S\$
Income			
Revenue	4	200,967	19,453
Other income	5	60,123	10,429
Cost of sales		(104,878)	(9,793)
Gross profit/(loss)		156,212	20,089
Expenses			
Administrative and other expenses		(131,109)	(41,053)
Profit/(Loss) before taxation	6	25,103	(20,964)
Taxation	7	–	–
Profit/(Loss) for the year/period, representing total comprehensive income for the year/period		25,103	(20,964)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Beep Technologies Pte. Ltd.**Balance sheet
As at 30 June 2020**

	Notes	2020 S\$	2019 S\$
ASSETS			
Current assets			
Trade and other receivables	8	78,141	1,000
Prepayments		2,311	–
Cash and cash equivalents	9	366,494	27,474
Total current assets		446,946	28,474
Total assets		446,946	28,474
EQUITY AND LIABILITIES			
Current liabilities			
Other payables	10	32,802	39,438
Total current liabilities		32,802	39,438
Total liabilities		32,802	39,438
Net assets/(liabilities)		414,144	(10,964)
Equity attributable to equity holder of the Company			
Share capital	11	410,005	10,000
Retained earnings		4,139	(20,964)
Total equity		414,144	(10,964)
Total equity and liabilities		446,946	28,474

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Beep Technologies Pte. Ltd.**Statement of changes in equity
For the financial year ended 30 June 2020**

	Ordinary shares S\$	Preference shares S\$	Accumulated losses S\$	Total equity S\$
At 4 September 2018 (date of incorporation)	10,000	–	–	10,000
Loss for the period, represent the total comprehensive income for the period	–	–	(20,964)	(20,964)
At 30 June 2019	10,000	–	(20,964)	(10,964)
Share issuance during the year	–	400,005	–	400,005
Profit for the year, represent the total comprehensive income for the year	–	–	25,103	25,103
At 30 June 2020	10,000	400,005	4,139	414,144

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Beep Technologies Pte. Ltd.**Cash flow statement
For the financial year ended 30 June 2020**

	Notes	2020 S\$	4.9.2018 (date of incorporation) to 30.6.2019 S\$
Operating activities			
Profit/(loss) before taxation		25,103	(3,719)
Changes in working capital			
Changes in trade and other receivables		(77,141)	(1,000)
Changes in prepayments		(2,311)	–
Changes in other payables		(6,636)	39,438
Net cash flows from/(used in) operating activities		(60,985)	17,474
Cash flows from financing activities			
Issuance of ordinary shares		–	10,000
Issuance of preference shares		400,005	–
Net cash flows from/(used in) financing activities		400,005	10,000
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year/period		339,020	27,474
		27,474	–
Cash and cash equivalents at the end of the financial year/period		366,494	27,474

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

1. Corporate information

Beep Technologies Pte. Ltd. (the "Company") is a private limited company incorporated and domiciled in Singapore with its registered office and principal place of business is 4010 Ang Mo Kio Avenue 10, #05-07 Techplace 1 Singapore 569626.

The principal activities of the Company is development of and providing fintech and cashless payment system and providing data analytics and related activities.

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in SGD.

2.2 Changes in accounting policies

The Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 July 2019. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to references to the Conceptual framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 <i>Definition of Material</i>	1 January 2020
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 July 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)**2.4 Foreign currency**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currencies 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 measured.

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

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.6 Financial instruments

These accounting policies are applied on and after initial application date of FRS 109, 1 July 2019:

(a) Financial assets**Initial recognition and measurement**

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

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

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

Subsequent measurement*Investments in debt instruments*

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

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)**2.6 Financial instruments****(a) Financial assets (cont'd)****Subsequent measurement (cont'd)***Investments in debt instruments (cont'd)*

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

Investments in equity instruments

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

De-recognition

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

(b) Financial liabilities**Initial recognition and measurement**

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

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

Subsequent measurement

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

Beep Technologies Pte. Ltd.

**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments

(c) Financial liabilities (cont'd)

De-recognition

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

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

These accounting policies are applied before the initial application date of FRS 109, 1 July 2019:

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

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

Cash and cash equivalents comprise cash at banks.

De-recognition

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

Beep Technologies Pte. Ltd.

**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)

2.6 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

Financial liabilities at amortised cost

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 de-recognised, and through the amortisation process.

Such financial liabilities comprise trade and other liabilities.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)**2.7 Impairment of financial assets**

These accounting policies are applied on and after the initial application date of FRS 109, 1 July 2019:

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

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

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

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied on and before the initial application date of FRS 109, 1 April 2018:

The Company assesses at the end of each reporting period whether there is any objective evidence that an asset or a group of assets is impaired.

Financial assets carried at amortised cost

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

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)**2.7 Impairment of financial assets (cont'd)**

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

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

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.8 Impairment of non-financial assets

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

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

Impairment losses of continuing operations are recognised in profit or loss.

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

Beep Technologies Pte. Ltd.

**Notes to the financial statements
For the financial year ended 30 June 2020**

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10 Revenue recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 July 2019:

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.

Rendering of services

The Company provide development of and providing fintech and cashless payment system and providing data analytics and related activities. Revenue from rendering of development of fintech and cashless payment system and providing data analytics and related activities is recognised when the services have been performed and rendered.

These accounting policies are applied on and before the initial application date of FRS 115, 1 July 2019:

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

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

2. Summary of significant accounting policies (cont'd)**2.11 Taxes****(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

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

(b) Deferred tax

Deferred tax is provided using the liability method, on 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 the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Beep Technologies Pte. Ltd.

**Notes to the financial statements
For the financial year ended 30 June 2020**

2.12 Share capital and share issuance expenses

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

3. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The Company measures foreign currency transactions in the respective functional currency of the Company. In determining the functional currencies of the Company, judgement is required to determine the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****4. Revenue**

	2020 S\$	4.9.2018 (date of incorporation) to 30.6.2019 S\$
<u>Type of good or service</u>		
Rendering of services	200,967	19,453
	<u>200,967</u>	<u>19,453</u>
<u>Timing of transfer of good or service</u>		
At a point in time	–	–
Over time	200,967	19,453
	<u>200,967</u>	<u>19,453</u>

5. Other income

	2020 S\$	4.9.2018 (date of incorporation) to 30.6.2019 S\$
Grants	60,000	–
Cash rebates	123	14
Other income	–	10,415
	<u>60,123</u>	<u>10,429</u>

6. Profit/(loss) before taxation

	2020 S\$	2019 S\$
Employee benefits expenses (Note A)	84,116	–
Subcontractor expenses	17,300	17,206
	<u>101,416</u>	<u>17,206</u>

Note A: Employee benefits expenses

Salaries and bonus	77,265	–
Central Provident Fund	6,851	–
	<u>84,116</u>	<u>–</u>

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****7. Taxation**

A reconciliation between the taxation charge and the product of accounting profit multiplied by the statutory tax rate applicable to the profit for the financial period ended 30 June 2020 and 30 June 2019 are as follows:

	2020 S\$	2019 S\$
Profit/(loss) before taxation	25,103	(20,963)
Tax at statutory rate of 17%	4,268	(3,564)
Adjustments:		
Non taxable income	(8,500)	–
Deferred tax assets not recognised	4,232	3,564
Income tax expense recognised in profit or loss	–	–

8. Trade and other receivables

	2020 S\$	2019 S\$
Trade receivables	78,141	–
Deposits	–	1,000
	78,141	1,000

Trade receivables are denominated in Singapore dollars, non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

9. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash at bank	366,494	27,474

Cash and cash equivalents at financial year ended are denominated in the following currencies:

	2020 S\$	2019 S\$
Singapore dollar	353,812	27,474
United States dollar	12,682	–
	366,494	27,474

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****10. Other payables**

	2020 S\$	2019 S\$
Other payables	32,201	38,588
Deposits payable	600	850
	32,801	39,438
	32,801	39,438

These amounts are non-interest bearing, repayable on demand and is to be settled in cash.

11. Share capital*Ordinary shares*

	No. of shares	S\$
Issued and fully paid up:		
At 4 September 2019 (date of incorporation)	100,000	10,000
At 30 June 2019 and 30 June 2020	100,000	10,000
	100,000	10,000

Preference shares

	No. of shares	S\$
Issued and fully paid up:		
At 4 September 2019 (date of incorporation) and 30 June 2019	—	—
Share issuance during the year	14,815	400,005
At 30 June 2020	14,815	400,005
	14,815	400,005

The holder of ordinary share is entitled to receive dividends as and when declared by the Company. The ordinary share carries one vote per share without restrictions. The ordinary share has no par value.

12. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of trade and other receivables, cash and cash equivalents, and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

13. Financial risk management objectives and policies

The Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees on policies and procedures for the management of these risks.

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

(a) Credit risk

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

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

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

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

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

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

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****13. Financial risk management objectives and policies (cont'd)****(a) Credit risk (cont'd)**

- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

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

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

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

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

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

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

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****13. Financial risk management objectives and policies (cont'd)****(a) Credit risk (cont'd)**

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
30 June 2020						
Trade receivables	8	Note 1	12-month ECL	78,141	–	78,141
Other receivables	8	I	lifetime ECL	–	–	–
30 June 2019						
Trade receivables	8	Note 1	Lifetime ECL (simplified)	–	–	–
Other receivables	8	I	12-month ECL	1,000	–	1,000

Trade receivables (Note 1)

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

The table below sets out the aging analysis of trade receivables:

	2020 Gross trade receivables S\$	2019 Gross trade receivables S\$
Current	14,035	–
30 – 60 days	24,375	–
60 – 90 days	–	–
More than 90 days	39,731	–
	78,141	–

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020**

13. Financial risk management objectives and policies (cont'd)**(a) Credit risk (cont'd)**Excessive risk concentration

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

Exposure to credit risk

Trade receivables comprise of 6 (2019: 0) customers which represented 100% (2019: 100%) of trade receivables. The Company believes that the concentration of its credit risk in trade receivables is mitigated substantially by its credit evaluation process, credit policies and credit control and collection procedures.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company borrows from its immediate holding company to meet its funding requirement.

Liquidity risk arises in the general funding of the Company's principal activities. It includes the risk of not being able to meet its current obligations as and when they fall due. The Company's liquid assets are mainly in the form of cash and bank balances. In addition to its capital management policy (Note 16) to the financial statements, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and meets its financial obligations.

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****14. Financial risk management objectives and policies (cont'd)****(b) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	One year or less, representing total 2020 S\$	One year or less, representing total 2019 S\$
Financial assets		
Trade and other receivables	78,141	1,000
Cash and cash equivalents	366,494	27,474
Total undiscounted financial assets	444,635	28,474
Financial liabilities		
Other payables	32,801	39,438
Total undiscounted financial liabilities	32,801	39,438
Total net undiscounted financial assets	411,834	(10,964)

Beep Technologies Pte. Ltd.**Notes to the financial statements
For the financial year ended 30 June 2020****15. Financial instruments by category**

	Financial assets at amortised cost S\$	Financial liabilities at amortised cost S\$	Total S\$
30.6.2020			
Financial assets			
Trade and other receivables	78,141	–	78,141
Cash and cash equivalents	366,494	–	366,494
Total financial assets	444,635	–	444,635
Financial liabilities			
Other payables	–	32,801	32,801
Total financial liabilities	–	32,801	32,801
30.6.2019			
Financial assets			
Trade and other receivables	1,000	–	1,000
Cash and cash equivalents	27,474	–	27,474
Total financial assets	28,474	–	28,474
Financial liabilities			
Other payables	–	39,438	39,438
Total financial liabilities	–	39,438	39,438

16. Capital management

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2019 and 30 June 2020.

17. Authorisation of financial statements

The financial statements of the Company for the financial year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 11 August 2020.