Deskera

BR Metals Pte Ltd

Isaac.Peh@brmetalsltd.com

Reporting Period: December 1, 2023 to December 31, 2023

Statement of financial position as at December 31, 2023 (Amount in $)

	Account Code	Opening Amount	Period Amount	Ending Amount
ASSETS				
Fixed Assets				
Fixed Assets	100000	682,611.70	46,711.53	729,323.23
Total for Fixed Assets		**682,611.70**	**46,711.53**	**729,323.23**
Investment in Subsidiaries				
Investment in Subsidiaries	100200	3,717,135.22	0.00	3,717,135.22
Total for Investment in Subsidiaries		**3,717,135.22**	**0.00**	**3,717,135.22**
Cash and Bank Balances				
Bank Balances	110000	11,389,977.24	993,319.19	12,383,296.43
Frank's Personal Bank Accounts	110030	61,451.45	10,024.53	71,475.98
MACQUARIE BANK (EUR) 11080511	110039	276,102.93	0.00	276,102.93
RHB BANK (USD) 17510851505	110043	19,102.60	0.00	19,102.60
UOB THAILAND BANK (THB) 8173646593	110045	(132.29)	8,919.87	8,787.58
UOB THAILAND BANK (USD) 8179009250	110046	886.54	637.79	1,524.33
UOB BANK (USD) 7010143369 FD	110047	508,639.75	0.00	508,639.75
Cash Balance	110050	16,509.49	(373.37)	16,136.12
PT Anugrah Multi Remittance	110097	0.00	(587,638.42)	(587,638.42)
Total for Cash and Bank Balances		**12,272,537.71**	**424,889.59**	**12,697,427.30**
Trade Debtors				
Trade Debtors	110100	(52,975,474.13)	10,635,200.84	(42,340,273.29)
Trade Debtors (Advances From Refineries)	110101	56,288,984.65	(1,297,564.86)	54,991,419.79
Total for Trade Debtors		**3,313,510.52**	**9,337,635.98**	**12,651,146.50**
Inventory				
Inventory (B/S)	110200	43,614,584.18	(25,916,173.40)	17,698,410.78
Inventory - Trading of Gold	110211	1,317,553.63	2,669,375.52	3,986,929.15
Total for Inventory		**44,932,137.81**	**(23,246,797.88)**	**21,685,339.93**
Other Debtors				
Other Debtors and Prepaid Expenses	110300	10,361,917.61	(8,253,850.12)	2,108,067.49
Deposit Paid	110317	68,664.26	(50,649.35)	18,014.91
Deposit Paid (Interactive Broker)	110318	193,142.57	(10,762.31)	182,380.26
Total for Other Debtors		**10,623,724.44**	**(8,315,261.78)**	**2,308,462.66**
GST				
GST (Net)	110500	(1,237.53)	84,108.89	82,871.36
Total for GST		**(1,237.53)**	**84,108.89**	**82,871.36**
Insurance Investment for Frank				
Insurance Investment for Frank	100400	496,500.00	0.00	496,500.00
Total for Insurance Investment for Frank		**496,500.00**	**0.00**	**496,500.00**
TOTAL ASSETS		76,036,919.87	(21,668,713.67)	54,368,206.20

EQUITY AND LIABILITIES

Other Current Liability				
GST(TX8)@8.00%		0.01	(0.01)	0.00
Lease Liability	200801	410,280.05	(16,374.05)	393,906.00
Total for Other Current Liability		**410,280.06**	**(16,374.06)**	**393,906.00**
Trade Creditors				
Trade Creditors	200000	(2,223,233.02)	8,500,632.01	6,277,398.99
Total for Trade Creditors		**(2,223,233.02)**	**8,500,632.01**	**6,277,398.99**
Invoice Financing Loans				
Invoice Financing Loans	200200	883,524.84	(500,000.00)	383,524.84
Total for Invoice Financing Loans		**883,524.84**	**(500,000.00)**	**383,524.84**
Bank Loan				
Bank Loan - OCBC (SGD)	200102	210,697.15	(11,783.80)	198,913.35
Bridging Loan - DBS (SGD)	200103	1,153,845.25	(73,451.37)	1,080,393.88
Total for Bank Loan		**1,364,542.40**	**(85,235.17)**	**1,279,307.23**
Income Tax Payable				
Tax Payable	200401	11,514.85	0.00	11,514.85
Total for Income Tax Payable		**11,514.85**	**0.00**	**11,514.85**
Other Creditors And Accruals				
Other Creditors	200601	(7,666.30)	(5,698.17)	(13,364.47)
Accruals	200700	8,221,709.36	(3,874,831.73)	4,346,877.63
Advances From Refineries	200705	38,185,114.65	(27,914,804.86)	10,270,309.79
Total for Other Creditors And Accruals		**46,399,157.71**	**(31,795,334.76)**	**14,603,822.95**
Share Capital				
Share Capital	300001	74,820.00	0.00	74,820.00
Total for Share Capital		**74,820.00**	**0.00**	**74,820.00**
Retained Earning b/f				
Retained Earnings	300101	30,136,088.87	0.00	30,136,088.87
Total for Retained Earning b/f		**30,136,088.87**	**0.00**	**30,136,088.87**
Shareholder Dividends				
Shareholder Dividends	300201	(537,500.00)	0.00	(537,500.00)
Total for Shareholder Dividends		**(537,500.00)**	**0.00**	**(537,500.00)**
Current Year Earnings		(482,275.84)	2,227,598.31	1,745,322.47
TOTAL EQUITY AND LIABILITIES		76,036,919.87	(21,668,713.67)	54,368,206.20

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BR Metals Pte Ltd

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Statement of profit or loss and other comprehensive income for the year ended December 31, 2023 (Amount in $)

Particulars	Account Code	Opening Amount	Period Amount	Ending Amount
Sales				
Sales	400000	870,556,379.96	206,761,663.14	1,077,318,043.10
Sales of Recovered PGM	400001	12,605,860.51	29,805,917.02	42,411,777.53
Sales of Scrap Metal	400002	19,863.38	6,473.00	26,336.38
Sales - Others	400003	641.08	1,200.62	1,841.70
Sales - E-Scrap & Metallic	400004	2,537.88	0.00	2,537.88
Sales - Inventory	400005	0.00	0.00	0.00
Sales - Trading of Gold	400006	818,580,161.81	171,552,576.38	990,132,738.19
Sales - Trading of Silver	400007	2,762,705.68	0.00	2,762,705.68
Sales - Gold Recovery	400008	0.00	0.00	0.00
Sales of Recovered Precious Metal and Others	400010	17,533,282.73	0.00	17,533,282.73
Sales - Sample Analysis Fee	400011	197.03	250.00	447.03
Sales - Trading of PGM	400012	19,051,129.86	5,395,246.12	24,446,375.98
Total Sales		870,556,379.96	206,761,663.14	1,077,318,043.10
Material Costs				
Material Costs	**500000**	867,026,117.80	203,963,319.34	1,070,989,437.14
Material Costs - Recovered PGM	500001	10,542,350.46	27,123,685.88	37,666,036.34
Material Costs - Others	500003	0.00	0.00	0.00
Material Costs - E-Scrap & Metallic	500004	0.00	0.00	0.00
Material Costs - Inventory	500005	0.00	0.00	0.00
Material Cost - Trading of Gold	500006	817,478,799.21	171,500,493.36	988,979,292.57
Material Cost - Trading of Silver	500007	2,763,906.34	0.00	2,763,906.34
Material Costs - Gold Recovery	500009	0.00	0.00	0.00
Material Cost - Recovered Precious Metal and Others	500010	17,391,942.84	0.00	17,391,942.84
Material Costs - Inventory Written Off	500011	0.00	0.00	0.00
Material Cost - Trading of PGM	500012	18,844,572.45	5,339,140.10	24,183,712.55
Total Material Costs		867,026,117.80	203,963,319.34	1,070,989,437.14
GP 1		3,530,262.16	2,798,343.80	6,328,605.96
Other Income - Direct				
Other Income - Direct	**600000**	561,919.84	113,244.09	675,163.93
Interest Income - Supplier	600001	397,586.13	49,708.94	447,295.07
CMC Hedging Gain/Loss - P&L	600003	(5,424.14)	0.00	(5,424.14)
Exchange Gain From Supplier	600005	43,410.90	(2,191.13)	41,219.77

Miscellaneous Income Received From Supplier	600006	178,197.07	23,727.54	201,924.61
Payment Rounding Difference	600009	5.53	(0.70)	4.83
CMC Hedging Gain/Loss - Unrealized P&L	600010	0.00	0.00	0.00
ICBC Hedging Gain/Loss - P&L	600011	(50,710.37)	41,999.44	(8,710.93)
ICBC Hedging Gain/Loss - Unrealized P&L	600012	(1,437.27)	0.00	(1,437.27)
Total Other Income - Direct		561,919.84	113,244.09	675,163.93
Other Direct Costs				
Other Direct Costs	**500100**	740,166.20	73,194.95	813,361.15
Treatment Charges	500101	186,387.46	31,009.20	217,396.66
Refinery Charges	500102	146,235.84	28,406.57	174,642.41
Freight Costs - Inwards	500104	87,343.28	4,118.07	91,461.35
Freight Costs - Outwards	500105	60,961.08	5,544.56	66,505.64
Inland Transportation	500106	5,942.92	0.00	5,942.92
Insurance - Freight Related	500107	7,649.69	0.00	7,649.69
Commission Expenses - Third Parties	500108	19,140.63	1,471.49	20,612.12
Bank Charges - Direct	500112	214,874.81	345.34	215,220.15
Metal Transfer Costs	500113	11,630.49	2,299.72	13,930.21
Total Other Direct Costs		740,166.20	73,194.95	813,361.15
GP2		3,352,015.80	2,838,392.94	6,190,408.74
Other Income - Indirect				
Other Income - Indirect	**600500**	639,774.62	(62,849.43)	576,925.19
Exchange Differences	600501	27,309.16	2,207.76	29,516.92
Government Grants	600502	64,930.68	944.17	65,874.85
Interest Income - Banks	600505	414,774.18	28,377.82	443,152.00
Miscellaneous Income	600506	2,903.63	0.00	2,903.63
Interest Income - Others	600507	54,792.63	4,770.55	59,563.18
Leasing Fee From GT Commodities	600508	142,005.49	9,239.37	151,244.86
Discount Received	600509	0.00	0.00	0.00
Revaluation Gain Loss (Unrealised)	600510	(6,480.28)	6,154.75	(325.53)
Trading P&L - Realised	600511	(26,589.16)	(148,621.47)	(175,210.63)
Trading P&L - Unrealised	600512	(34,077.62)	34,077.62	0.00
Total Other Income - Indirect		639,774.62	(62,849.43)	576,925.19
Salaries and Wages				
Salaries and Wages	**700000**	1,264,391.71	127,961.33	1,392,353.04
Salaries	700001	1,093,658.96	99,253.16	1,192,912.12
Salaries - OT	700002	6,225.39	0.00	6,225.39
CPF	700003	104,642.94	18,788.42	123,431.36
FWL	700004	29,368.51	2,563.72	31,932.23
SDL	700005	1,934.34	193.74	2,128.08
Staff Allowances	700006	27,048.88	1,758.11	28,806.99

Leave Encashment	700007	1,512.69	5,404.18	6,916.87
Total Salaries and Wages		1,264,391.71	127,961.33	1,392,353.04
Staff Sales Commission and Incentives				
Staff Sales Commission and Incentives	**700100**	83,565.53	81,092.48	164,658.01
Staff Bonus	700008	83,565.53	81,092.48	164,658.01
Staff Incentives	700102	0.00	0.00	0.00
Total Staff Sales Commission and Incentives		83,565.53	81,092.48	164,658.01
Sales and Distribution Expenses				
Sales and Distribution Expenses	**700300**	450,291.61	44,771.35	495,062.96
Marketing Expenses	700302	32,402.01	885.77	33,287.78
Repairs and Maintenance - Equipment	700306	5,283.13	3,738.22	9,021.35
Repairs and Maintenance - Factory	700307	0.00	2,242.32	2,242.32
Repairs and Maintenance - Machinery	700308	8,027.54	347.55	8,375.09
Repairs and Maintenance - Motor Vehicle - GB Plate	700309	1,064.07	0.00	1,064.07
Repairs and Maintenance - Motor Vehicle - Other (Non-tax deductible)	700311	2,088.65	504.99	2,593.64
Sampling Analysis	700312	35,233.45	5,090.20	40,323.65
Sampling Expenses	700313	153.20	0.00	153.20
Utilities	700314	27,011.43	1,969.26	28,980.69
Vehicle Expenses - GB	700315	3,138.54	277.33	3,415.87
Vehicle Expenses - Others	700317	10,688.27	226.78	10,915.05
Warehouse Service Fee	700319	12,211.84	225.00	12,436.84
Waste Disposal Service	700320	7,304.42	896.93	8,201.35
Factory Supplies	700321	31,794.42	990.91	32,785.33
Laboratory Supplies	700322	51,532.68	7,261.90	58,794.58
Travelling	700401	23,681.26	3,862.29	27,543.55
Travelling (DTDI)	700402	42,494.32	2,313.50	44,807.82
Entertainment	700501	112,385.86	6,405.29	118,791.15
Meals (DTDI)	700502	14,617.08	244.08	14,861.16
Handling Fee	700503	29,179.44	7,289.03	36,468.47
Total Sales and Distribution Expenses		450,291.61	44,771.35	495,062.96
G&A Expenses				
G&A Expenses	**700200**	2,199,321.35	249,584.11	2,448,905.46
Audit Fees	700201	2,481.98	22,423.20	24,905.18
Bank Charges - Indirect	700203	23,584.11	1,902.78	25,486.89
Donations	700205	5,504.63	0.00	5,504.63
Fines and Penalties	700206	0.00	0.00	0.00
General Expenses	700207	7,552.24	101.85	7,654.09

Insurance - Others	700209	26,578.40	0.00	26,578.40
IT and Telecommunication	700210	9,162.30	1,479.39	10,641.69
Licence Fee	700211	2,778.37	0.00	2,778.37
Medical Expenses	700212	852.98	126.62	979.60
Office Rental	700213	124,921.81	7,445.68	132,367.49
Office Supplies	700214	1,398.96	90.41	1,489.37
Pantry Supplies	700215	2,217.47	472.38	2,689.85
Postage and Courier	700216	4,063.26	671.38	4,734.64
Printing and Stationery	700217	3,677.04	462.56	4,139.60
Professional Fees	700218	579,335.19	109,929.23	689,264.42
Recruitment Expenses	700219	10,849.88	126.02	10,975.90
Repairs and Maintenance - Office	700220	1,197.76	844.19	2,041.95
Repairs and Maintenance - Office Equipment	700221	3,575.37	620.38	4,195.75
Representation Office's Tax	700222	550.00	0.00	550.00
Representative Office Tax Declaration	700223	235.73	0.00	235.73
Staff Training	700224	29,247.54	112.12	29,359.66
Staff Welfare	700225	17,954.42	862.10	18,816.52
Transportation	700226	9,177.10	651.22	9,828.32
Profit/Loss on Disposal of Fixed Assets	700227	(7,258.30)	20.52	(7,237.78)
Other Rental	700229	4,623.96	706.83	5,330.79
Lab Fee Paid to Guangzhou BRM	700230	983,095.92	68,349.64	1,051,445.56
Ferry Expenses	700231	1,808.25	133.88	1,942.13
Consultation Fee	700232	0.00	0.00	0.00
Bank Charges - Loan & Invoice Financing	700233	12,488.08	0.00	12,488.08
Withholding Tax	700235	23,454.23	1,997.23	25,451.46
Management Fee	700237	206,136.28	23,646.33	229,782.61
Malaysia SST Expenses	700238	0.00	0.00	0.00
Non Capitalize Assets	700239	7,639.60	0.00	7,639.60
Research And Development	700240	3,954.22	0.00	3,954.22
Shipping Fee	700241	32,701.18	2,709.27	35,410.45
Subscription Fee	700324	15,220.04	685.42	15,905.46
Brokerage & Fees	700326	48,561.35	3,013.48	51,574.83
Total G&A Expenses		2,199,321.35	249,584.11	2,448,905.46
EBITDA		(5,779.78)	2,272,134.24	2,266,354.46
Depreciation				
Depreciation	**700700**	400,815.18	33,886.30	434,701.48
Depreciation - Furniture & Fixtures	700702	3,715.47	337.77	4,053.24
Depreciation - Renovations	700703	48,995.14	4,065.44	53,060.58
Depreciation - Machinery	700704	31,343.65	2,903.67	34,247.32
Depreciation - Office Equipment	700705	3,914.94	214.67	4,129.61

Depreciation - Working Equipment	700706	23,085.07	473.77	23,558.84
Depreciation - Motor Vehicle	700707	48,102.70	5,405.33	53,508.03
Depreciation - Computer & Software	700708	8,989.48	607.60	9,597.08
Depreciation - Lab Equipment	700709	72,134.73	5,284.05	77,418.78
Depreciation - Right Of Use	700710	160,534.00	14,594.00	175,128.00
Total Depreciation		400,815.18	33,886.30	434,701.48
Financial Expenses				
Interest Expenses	**700600**	75,680.88	10,649.63	86,330.51
Interest Expenses - Banks	700601	52,580.20	8,420.60	61,000.80
Interest Expenses - Refineries	700603	14,572.68	1,602.03	16,174.71
Interest Expenses - ROU	700604	8,528.00	627.00	9,155.00
Total Financial Expenses		75,680.88	10,649.63	86,330.51
Profit before Tax		(482,275.84)	2,227,598.31	1,745,322.47
Income Tax				
Income Tax	800001	0.00	0.00	0.00
Total Income Tax		0.00	0.00	0.00
Profit after Tax		(482,275.84)	2,227,598.31	1,745,322.47

BR METALS PTE. LTD
(Registration No: 201403920D)
(Incorporated in the Republic of Singapore)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 US$	2021 US$
Revenue	166,105,798	213,307,703
Less: Cost of sales		
Opening stocks	33,095,992	2,576,107
Purchase	157,806,426	225,117,750
Freight Costs	290,596	418,309
Misc	427,580	2,867,083
Closing stock	(32,014,861)	(33,095,992)
	159,605,733	197,883,257
Gross profit	6,500,065	15,424,446
Add: Other operating income		
Interest Income - Customers	534,860	986,147
Exchange Gain from supplier	71,445	-
Miscellaneous Income Received From Customers	206,827	269,924
Exchange Differences	(39,441)	-
Payment rounding difference	2	-
ICBC Hedging gain/loss – unrealized P&L	365,731	-
Government Grants	103,679	85,335
WCS - Wage Credit Scheme	-	8,819
Interest Income -Others	14,136	39,185
Interest Income - Banks	80,634	8,058
Miscellaneous Income	3,464	66,765
Leasing Fee From GT Commodities	133,465	48,139
Discount received	186	-
Revaluation gain loss (unrealised)	21,474	-
Gain of Fixed Asset	-	278
	1,496,462	1,512,650
	7,996,527	16,937,096
Less: Operating expenses	(4,326,787)	(5,398,937)
	3,669,740	11,538,159

BR METALS PTE. LTD
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DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 US$	2021 US$
Marketing and distribution costs		
Marketing Expenses	89,921	30,112
Advertisement and Promotions	-	41,310
Website Development Expenses	-	822
Repairs and Maintenance - Factory	2,728	2,297
Repairs and Maintenance - Motor Vehicle - GB Plate	3,834	1,685
Sampling Analysis	21,603	43,342
Sampling Expenses	807	-
Utilities	26,204	20,717
Vehicle Expenses - GB	4,023	7,926
Vehicle Expenses - Others	15,096	8,944
Warehous Supplies	-	380
Warehouse Service Fee	-	327
Waste Disposal Service	6,392	3,048
Factory Supplies	11,295	16,475
Laboratory Supplies	29,631	25,310
Subscription fee	5,320	-
Travelling	21,403	8,053
Travelling - DTDI	35,161	3,741
Entertainment	134,438	41,235
Meals(DTDI)	5,480	358
Handling fee	2,793	-
	416,129	256,082
Administrative expenses		
Audit Fees	21,621	12,914
CMC Hedging Gain/Loss - Premium	-	(96)
CMC Hedging Gain/Loss - P&L	-	(53,739)
CMC Hedging Gain/Loss - Unrealized P&L	-	(2,621)
ICBC Hedging Gain/Loss - Unrealized P&L	-	31,684
Bank Charges - Indirect	37,420	84,751
Donations	50,093	6,180
Fines and Penalties	72	297
General Expenses	5,012	8,256
Insurance - Others	11,746	20,036
IT and telecommunication	9,941	27,982
Licence Fee	9,832	12,697
Medical Expenses	6,140	1,250
Office Rental	57,279	(23,364)
Office Supplies	7,684	17,153
Pantry Supplies	2,483	-
Postage and Courier	4,361	3,969
Printing and Stationery	5,444	1,840
Professional Fees	42,777	72,315
Recruitment Expenses	67,023	42,172
Representation Office's Tax	550	50
Representative Office Tax Declaration	928	1,767

BR METALS PTE. LTD
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(Incorporated in the Republic of Singapore)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 US$	2021 US$
Administrative expenses (continued)		
Staff training	25,789	4,301
Staff Welfare	22,514	11,483
Transportation	5,712	6,561
Profit/Loss on Disposal of Fixed Assets	766	263
Other Rental	1,309	22,071
Lab Fee Paid to Guangzhou BRM	935,620	823,862
Ferry Expenses	6,214	4,950
Bank charges – Loan & invoice financing	939	-
Miscellaneous Expenses	-	3,512
Withholding Tax	12,341	34,890
Collaboration With SIT	-	3,410
Management Fee	623,991	1,694,292
Malaysia SST expenses	65	-
Non capitalize assets	3,427	-
Research and development	4,227	-
	1,983,320	2,875,088
Operating expenses		
Salaries	986,625	612,831
Salaries - OT	-	3,206
CPF	115,860	127,502
FWL	39,359	20,692
SDL	1,987	1,517
Staff Allowances	2,520	33,389
Leave Encashment	3,351	-
Staff Bonus	62,528	145,767
Staff Incentives	1,288	1,288
Repairs and Maintenance	-	2,983
Repairs and Maintenance - Office	915	893
Repairs and Maintenance - Office Equipment	4,878	3,724
Repairs and Maintenance - Equipment	4,329	1,866
Repairs and Maintenance - Machinery	4,206	6,897
Repairs and Maintenance - Motor Vehicle - Other (Non-tax deductible)	2,105	837
Bank Charges - Loan & Invoice Financing	40,360	10,609
Exchange Gain From Supplier	-	446,593
Unrealised Gain/Loss	-	(1,137)
Gain/(loss) on lease termination	-	65
Exchange Differences	-	52,377
Depreciation	554,872	548,062
	1,825,183	2,019,961
Finance cost		
Interest Expenses - Banks	89,471	230,990
Interest Expenses - ROU	12,684	16,816
	102,155	247,806
Total operating expenses for the year	4,326,787	5,398,937

BR METALS PTE. LTD. AND ITS SUBSIDIARIES
(Company Registration Number: 201403920D)

FINANCIAL STATEMENTS

For the financial year ended 31 DECEMBER 2019

BR METALS PTE. LTD. AND ITS SUBSIDIARIES

Contents

DIRECTOR'S STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The director is pleased to present the statement to the members together with the audited financial statements of BR Metals Pte. Ltd. (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2019 and the statement of financial position of the Company as at 31 December 2019.

Opinion of the director

In the opinion of the director,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

Director

The director of the Company in office at the date of this statement is:

Chan Hong Koon, Francis

Arrangements to enable director 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 whose objects is, to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Director's interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the director 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:

	Deemed interest	
Name of director	**At 1 January 2019**	**At 31 December 2019**
Ordinary shares of the Company		
Chan Hong Koon, Francis	60,000	60,000

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

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

Auditor

RT LLP has expressed its willingness to accept re-appointment as auditor.

The director

Chan Hong Koon, Francis
Director

Singapore
15 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BR METALS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BR Metals Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated statement of cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

RT LLP
Chartered Accountants
UEN : T08LL0811J

RT ASEAN Pte Ltd
Head Office
UEN : 201537050N

RT Advisory Pte Ltd
UEN : 201510979W

RT Links Pte Ltd
UEN : 201542866E

RT Academy Pte Ltd
UEN : 201527798R

RT International Advisory Pte Ltd
UEN : 201726206W

ONE FACE ACROSS ASEAN

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BR METALS PTE. LTD. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for other information. The other information comprises the Director's Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Director for the Financial Statements

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

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

The director's responsibilities include overseeing the Group's financial reporting process.

ONE FACE ACROSS ASEAN

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BR METALS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

RT LLP
Public Accountants and
Chartered Accountants

Singapore
15 May 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 US$	Group 2018 US$
Revenue	4	108,360,716	35,213,684
Cost of sales		(97,984,165)	(32,518,213)
Gross profit		10,376,551	2,695,471
Other income	5	2,201,068	351,032
Administrative expenses		(598,362)	(1,051,498)
Distribution and marketing expenses		(820,567)	(156,771)
Operating expenses		(2,311,931)	(436,342)
Finance costs	6	(90,748)	(46,895)
Profit before income tax	7	8,756,011	1,354,997
Income tax expense	8	(1,461,435)	(213,444)
Profit for the year, representing total comprehensive income for the year		7,294,576	1,141,553

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Group 2019 US$	Group 2018 US$	Company 2019 US$	Company 2018 US$
ASSETS					
Non-current assets					
Property, plant and equipment	9	804,610	260,628	682,693	206,085
Investment in subsidiaries	10	-	-	447,135	97,135
Intangible asset	11	2,047	583	-	-
		806,657	261,211	1,129,828	303,220
Current assets					
Cash and bank balances		2,119,802	1,019,646	1,975,035	925,466
Trade and other receivables	12	4,172,903	10,220,203	4,024,340	10,210,311
Inventories	13	26,722,963	10,661,702	26,722,963	10,661,702
		33,015,668	21,901,551	32,722,338	21,797,479
Total assets		33,822,325	22,162,762	33,852,166	22,100,699
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	74,820	74,820	74,820	74,820
Accumulated profits		9,616,480	2,321,904	9,587,343	2,269,590
Currency translation reserve		(32,857)	(24,725)	-	-
Total equity		9,658,443	2,371,999	9,662,163	2,344,410
Non-current liabilities					
Bank borrowings	15	247,378	143,775	247,378	143,775
		247,378	143,775	247,378	143,775
Current liabilities					
Trade and other payables	16	18,122,073	18,831,608	18,152,286	18,801,896
Bank borrowings	15	4,326,280	598,928	4,326,280	598,928
Provision for taxation		1,468,151	216,452	1,464,059	211,690
		23,916,504	19,646,988	23,942,625	19,612,514
Total equity and liabilities		33,822,325	22,162,762	33,852,166	22,100,699

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Group	Share capital	Accumulated profits	Currency translation reserve	Total equity
	US$	US$	US$	US$
At 1 January 2019	74,820	2,321,904	(24,725)	2,371,999
Profit for the year	-	7,294,576	-	7,294,576
Other comprehensive income for the year - Currency translation differences arising from consolidation	-	-	(8,132)	(8,132)
Total comprehensive income for the year	-	7,294,576	(8,132)	7,286,444
At 31 December 2019	74,820	9,616,480	(32,857)	9,658,443
At 1 January 2018	74,820	1,180,351	(15,948)	1,239,223
Profit for the year	-	1,141,553	-	1,141,553
Other comprehensive income for the year - Currency translation differences arising from consolidation	-	-	(8,777)	(8,777)
Total comprehensive income for the year	-	1,141,553	(8,777)	1,132,776
At 31 December 2018	74,820	2,321,904	(24,725)	2,371,999
Company				
At 1 January 2019	74,820	2,269,590	-	2,344,410
Total comprehensive income for the year	-	7,317,753	-	7,317,753
At 31 December 2019	74,820	9,587,343		9,662,163
At 1 January 2018	74,820	1,143,677	-	1,218,497
Total comprehensive income for the year	-	1,125,913	-	1,125,913
At 31 December 2018	74,820	2,269,590	-	2,344,410

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

BR METALS PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Group	
	2019	2018
	US$	US$
Operating activities		
Profit before income tax	8,756,011	1,354,997
Adjustments for:		
- Allowance for bad debts	160,740	-
- Amortisation of intangible asset	163	170
- Depreciation of plant and equipment	182,000	134,344
- Interest expenses	90,748	46,895
- Interest income	(488,921)	(74,069)
- Gain on disposal of plant and equipment	(37)	(3,086)
Operating cash flows before changes in working capital	8,700,704	1,459,251
Changes in working capital		
- Inventories	(16,061,261)	(10,586,523)
- Trade and other receivables	5,807,463	(9,467,108)
- Trade and other payables	(509,173)	16,564,514
Cash used in operations	(2,062,267)	(2,029,866)
Income tax paid	(209,625)	(72,004)
Cash flows used in from operating activities	(2,271,892)	(2,101,870)
Investing activities		
Investment in subsidiary	(350,000)	-
Interest received	488,921	74,069
Purchase of property, plant and equipment	(727,531)	(106,765)
Purchase of intangible asset	(1,651)	-
Proceeds from issuance of ordinary shares	347,246	-
Proceeds from disposal of plant and equipment	37	28,184
Cash flows used in investing activities	(242,978)	(4,512)
Financing activities		
Interest paid	(90,748)	(46,895)
Non-trade amounts due to a director	(122,384)	2,168,033
Proceeds from bank borrowings	3,604,158	726,273
Proceeds from/(repayment of) lease liabilities	226,797	(4,675)
Cash flows generated from/(used in) financing activities	3,617,823	2,842,736
Net increase/(decrease) in cash and cash equivalents	1,102,953	736,354
Cash and cash equivalent at 1 January	1,019,646	289,277
Effect of foreign exchange rate difference	(2,797)	(5,985)
Cash and cash equivalent at 31 December	2,119,802	1,019,646

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

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

	1 January 2019 US$	Proceeds from borrowings and finance lease	Principal and interest payments US$	Non-cash changes: interest expenses US$	31 December 2019 US$
Bank borrowings	726,273	3,891,686	(372,065)	84,537	4,330,431
Lease liabilities	16,430	240,794	(20,208)	6,211	243,227
	742,703	4,132,480	(392,273)	90,748	4,573,58

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

1. General information

BR Metals Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 51 Woodlands Industrial Park E2, Nordix Singapore 757472.

The principal activities of the Company are those of scrap metals, precious metal recycling and trading. The principal activities of the subsidiary are set out in the Note 10 to the financial statements.

The financial statements of the Group and the statement of the financial position of the Company for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on the date of the Director's Statement.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity 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 individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States Dollar ("US$") which is also the functional currency of the Company.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which relevant to the Group and are effective for annual financial years beginning on or after 1 January 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

2. Significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 116 Leases (continued)

The Group adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application

The Group has lease contracts for buildings. Before the adoption of FRS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2.14.

Upon adoption of FRS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2.21. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

(a) Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

2. Significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

2.3 Standards issued but not yet effective

At the date of authorisation of these statements, the following FRS and INT FRS that are relevant to the Group were 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 *Definition of Material*	1 January 2020

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

2.4 Group accounting

Subsidiaries

Consolidation

Subsidiaries are all entities (including structure entities) over which the Group has control. The Group controls the entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

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

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

Acquisitions

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

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

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

Subsidiaries (continued)

Acquisitions (continued)

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill on subsidiary is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary include the carrying amount of goodwill relating to the entity sold.

Disposals

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

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

Please refer to the paragraph "Investment in subsidiary" for the accounting policy on investments in subsidiary in the separate financial statements of the Company.

Transactions with non-controlling interests

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

2. Significant accounting policies (continued)

2.5 Investment in subsidiary

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

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any 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:

	Useful lives
Computers	3 years
Furniture and fittings	3 years
Machinery	10 years
Motor vehicles	4 - 10 years
Office equipment	3 years
Renovation	3 years
Working equipment	3 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

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

2.7 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets

The Group 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 Group 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 groups 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, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Financial assets

Initial recognition and measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at 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 Group 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 Group'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, FVOCI and FVPL. The Group only has debt instruments at amortised cost.

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

Subsequent measurement (continued)

Investments in debt instruments (continued)

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 recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group 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 Group's right to receive payments is established. For investments in equity instruments which the Group 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.

2.10 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group 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.

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.

2. Significant accounting policies (continued)

2.11 Current/non-current classification of borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

2.12 Borrowings costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.13 Impairment of financial assets

The Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. Significant accounting policies (continued)

2.15 Employee benefits

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

2.16 Provisions

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

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

2.17 Share capital

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

2. Significant accounting policies (continued)

2.18 Related Party

A related party is defined as follows:

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

- has control or joint control over the Company;
- has significant influence over the Company; or
- is a member of the key management personnel of the Company or of a parent of the Company

(b) An entity is related to the Company if any of the following conditions applies:

- the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third party.
- the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- the entity is controlled or jointly controlled by a person identified in (a);
- a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. Significant accounting policies (continued)

2.19 Revenue recognition

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

Revenue is recognised when the Group 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.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.20 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting year, in the country that the Group 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiary, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered. 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.

2. Significant accounting policies (continued)

2.20 Taxes (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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.

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.

2.21 Leases

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

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

As lessee

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

2. Significant accounting policies (continued)

2.21 Leases (continued)

Right-of-use assets

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

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

The Group's right-of-use assets are presented within property, plant and equipment (Note 9).

Lease liabilities

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

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

The Group's lease liabilities are included in borrowings (Note 15).

Short-term leases and leases of low-value assets

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

2. Significant accounting policies (continued)

2.21 Leases (continued)

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

As lessee

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as reduction of rental expenses over the lease term on a straight-line basis.

2.22 Foreign currency transaction and balances

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.23 Intangible assets

Computer software

Acquired computer software licences are initially capitalised on the basis of the costs incurred to acquire and prepare the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss over their estimated useful lives of 5 years.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Judgements made in applying accounting policies

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk causing material adjustments to the carrying amounts of the assets and liabilities (apart from those involving estimations, which is dealt with below) within the next financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year are discussed below. The Group 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 Group. Such changes are reflected in the assumptions when they occur.

a) Useful lives of property, plant and equipment

The Group depreciates its property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 9 to the financial statements.

b) Impairment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's and Group's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to five years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investment in subsidiaries as at 31 December 2019 was US$447,135 (2018: US$97,135).

3. Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

c) Provision for expected credit losses of trade receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the expected credit losses on the Group's trade receivables is disclosed in Note 19. The carrying amounts of the Group's and the Company's trade receivables as at 31 December 2019 were US$217 (2018: US$1,318,963) and US$217 (2018: US$1,318,963) respectively.

4. Revenue

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines.

	2019 US$	2018 US$
At a point in time		
Sales of precious metals	108,046,039	34,753,265
Sales of scrap metals	314,677	134,384
Consultancy services	-	247,267
Sales of goods	-	6,148
	108,360,716	35,213,684

5. Other income

	Group	
	2019 US$	2018 US$
Government grants	32,425	42,151
Interest income	488,921	74,069
Finance charge income	499,285	10,657
Foreign exchange gain	1,146,878	-
Gain on disposal of property, plant and equipment	-	3,086
Miscellaneous income	33,559	221,069
	2,201,068	351,032

6. Finance costs

	Group	
	2019 US$	2018 US$
Term loan interest	532	137
Interest expense	90,216	46,758
	90,748	46,895

7. Profit before income tax

The following items have been included in arriving at profit before income tax:

	Group	
	2019 US$	2018 US$
Depreciation of property, plant and equipment	182,000	134,344
Employee benefits expenses (including director):		
- Salaries, bonuses and other costs	1,185,542	492,437
- Contributions to Central Provident Fund	68,240	54,628
Transportation	180,634	70,770

8. Income tax expense

	Group	
	2019	2018
	US$	US$
Current income tax		
Current year	1,467,796	213,444
Overprovision in prior year	(6,361)	-
	1,461,435	213,444

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2019 and 2018 were as follows:

	Group	
	2019	2018
	US$	US$
Profit before income tax	8,756,011	1,354,997
Taxation at statutory tax rate of 17% (2018: 17%)	1,488,522	230,349
Tax effects of:		
- Non-deductible expenses	8,404	2,733
- Income not subject to tax	12,847	(235)
- Tax incentives	(39,191)	(27,814)
- Deferred tax assets not recognised	-	8,148
- Difference in tax rate	(2,618)	262
- Overprovision in prior year	(6,361)	-
- Others	(168)	-
Income tax expense recognised in profit or loss	1,461,435	213,444

9. Property, plant and equipment

Group	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Under construction	Right-of-use	Total US$
Cost										
At 1 January 2019	203,458	6,036	121,867	86,178	4,375	17,855	183,064	-	-	622,833
Additions	45,568	-	3,549	49,132	8,878	-	64,675	284,312	271,416	727,530
Disposals	(15,413)	(2,942)	(2,029)	-	(159)	-	-	-	-	(20,543)
Exchange differences	(186)	-	(1,192)	(651)	(19)	-	-	(340)	-	(2,388)
At 31 December 2019	233,427	3,094	122,195	134,659	13,075	17,855	247,739	283,972	271,416	1,327,432
Accumulated depreciation										
At 1 January 2019	140,124	4,318	57,865	10,264	3,046	11,185	135,403	-	-	362,205
Depreciation	60,290	1,192	22,847	22,623	1,912	913	34,184	342	37,697	182,000
Disposals	(15,413)	(2,942)	(2,029)	-	(159)	-	-	-	-	(20,543)
Exchange differences	(61)	-	(693)	(82)	-	-	-	(4)	-	(840)
At 31 December 2019	184,940	2,568	77,990	32,805	4,799	12,098	169,587	338	37,697	522,822
Carrying amount										
At 31 December 2019	48,487	526	44,205	101,854	8,276	5,757	78,152	283,634	233,719	804,610

9. Property, plant and equipment (continued)

Group	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Total US$
Cost								
At 1 January 2018	202,573	6,036	110,776	50,538	3,803	17,855	149,333	540,914
Additions	1,540	-	15,718	76,309	572	-	33,731	127,870
Disposals	-	-	-	(40,253)	-	-	-	(40,253)
Exchange differences	(655)	-	(4,627)	(416)	-	-	-	(5,698)
At 31 December 2018	203,458	6,036	121,867	86,178	4,375	17,855	183,064	622,833
Accumulated depreciation								
At 1 January 2018	78,076	2,886	39,133	10,277	1,772	7,614	106,384	246,142
Depreciation	62,630	1,432	20,559	15,859	1,274	3,571	29,019	134,344
Disposals	-	-	-	(15,840)	-	-	-	(15,840)
Exchange differences	(582)	-	(1,827)	(32)	-	-	-	(2,441)
At 31 December 2018	140,124	4,318	57,865	10,264	3,046	11,185	135,403	362,205
Carrying amount								
At 31 December 2018	63,334	1,718	64,002	75,914	1,329	6,670	47,661	260,628

9. **Property, plant and equipment (continued)**

Company	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Under construction	Right-of-use	Total US$
Cost										
At 1 January 2019	191,383	6,036	37,773	78,628	4,375	17,855	183,064	-	-	519,114
Additions	33,033	-	3,549	-	7,211	-	64,675	253,563	271,416	633,447
Disposals	(4,001)	(2,942)	-	-	(159)	-	-	-	-	(7,102)
At 31 December 2019	220,415	3,094	41,322	78,628	11,427	17,855	247,739	253,563	271,416	1,145,459
Accumulated depreciation										
At 1 January 2019	129,244	4,318	20,346	9,487	3,046	11,185	135,403	-	-	313,029
Depreciation	57,586	1,192	7,198	16,157	1,912	913	34,184	-	37,697	156,839
Disposals	(4,001)	(2,942)	-	-	(159)	-	-	-	-	(7,102)
At 31 December 2019	182,829	2,568	27,544	25,644	4,799	12,098	169,587	-	37,697	462,766
Carrying amount										
At 31 December 2019	37,586	526	13,778	52,984	6,628	5,757	78,152	253,563	233,719	682,693

9. Property, plant and equipment (continued)

Company	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Total US$
Cost								
At 1 January 2018	190,491	6,036	22,055	42,572	3,803	17,855	149,333	432,145
Additions	892	-	15,718	76,309	572	-	33,731	127,222
Disposals	-	-	-	(40,253)	-	-	-	(40,253)
At 31 December 2018	191,383	6,036	37,773	78,628	4,375	17,855	183,064	519,114
Accumulated depreciation								
At 1 January 2018	67,758	2,886	16,116	10,214	1,772	7,614	106,384	67,758
Depreciation	61,486	1,432	4,230	15,113	1,274	3,571	29,019	116,125
Disposals	-	-	-	(15,840)	-	-	-	(15,840)
At 31 December 2018	129,244	4,318	20,346	9,487	3,046	11,185	135,403	313,029
Carrying amount								
At 31 December 2018	62,139	1,718	17,427	69,141	1,329	6,670	47,661	206,085

10. Investment in subsidiaries

	Company 2019 US$	Company 2018 US$
Beginning of financial year	97,135	97,135
Add: Additions during the year	350,000	-
Less: Impairment during the year	-	-
End of financial year	447,135	97,135

Details as follows:

Name of company (Country of incorporation/place of business)	Principal activities	Proportion of ownership interest 2019 %	Proportion of ownership interest 2018 %
BRM Metal Recycling Company Limited (China)	Those of scrap metals, precious metal recycling and trading.	100	100
Shaoguan BR Metals Company Limited (China)	Research and development of environmental protection technology, scrap metals and precious metal recycling.	100	-

11. Intangible assets

	Group 2019 US$	Group 2018 US$
Cost		
At 1 January	859	859
Additions	1,801	-
Exchange differences	(77)	(45)
At 1 December	2,583	814
Accumulated impairment		
At 1 January	227	71
Impairment loss	312	170
Exchange differences	(3)	(10)
At 1 December	536	231
Carrying amount		
At 1 December	2,047	583

12. Trade and other receivables

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Trade receivables	217	1,318,963	217	1,318,963
Advance to suppliers	3,809,634	8,244,896	3,809,634	8,244,896
Deposit	158,610	139,410	158,610	139,410
GST receivables	37,603	186,384	14,544	186,384
Other receivables	4,251	270,972	969	268,205
Prepayments	147,870	35,045	25,648	27,920
Staff advances	14,718	24,533	14,718	24,533
	4,172,903	10,220,203	4,024,340	10,210,311

Trade receivables are non-interest bearing and are generally on a 30 days' terms (2018: 30 days' terms).

13. Inventories

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Finished goods	2,474,488	153,840	2,474,488	153,840
Goods in transit	24,248,475	10,507,862	24,248,475	10,507,862
	26,722,963	10,661,702	26,722,963	10,661,702

The cost of inventories recognised as an expense and included in "cost of sales" amounted to US$96,897,191 (2018: US$32,116,568).

Management reviews an ageing analysis at each reporting date, and makes allowance for obsolete and slow-moving inventory items that are identified as obsolete and slow-moving, if any. Management estimates the net realisable value for goods for resale based primarily on the latest selling prices and current market conditions. There is no write-off of inventory during the financial year.

14. Share capital

	Group and Company			
	2019		2018	
	No of shares	US$	No of shares	US$
Issued and fully paid ordinary shares				
At 1 January and 31 December	74,820	74,820	74,820	74,820

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

15. Bank borrowings

	Group and Company	
	2019	2018
	US$	US$
Non-current:		
- Bank borrowing	94,743	141,477
- Lease liabilities (secured)	152,635	2,298
	247,378	143,775
Current:		
- Bank borrowing	51,898	47,312
- Lease liabilities (secured)	90,592	14,132
- Other short-term loan	4,183,790	537,484
	4,326,280	598,928
	4,573,658	742,703

The other short-term loan is secured by joint and several guarantees executed by the director of the Group and the Company.

16. Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Trade payables - third parties	295,021	278,947	357,999	278,947
Amount due to director	2,086,567	2,208,346	2,085,980	2,208,346
Accrued expenses	395,949	97,506	382,091	86,383
Advance from customers	15,317,031	16,228,220	15,317,031	16,228,220
Other payables - third parties	27,505	18,589	9,185	-
	18,122,073	18,831,608	18,152,286	18,801,896

Trade payables are non-interest bearing and are generally on a 30 days' terms (2018: 30 days' terms).

The non-trade amount due to director is unsecured, non-interest bearing and repayable on demand.

17. Leases

Group as a lessee

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

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Right-of-use (Building) US$
At 1 January 2019	-
Additions	271,416
Depreciation	(37,697)
At 31 December 2019	233,719

(b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 15 and the maturity analysis of lease liabilities is disclosed in Note 19.

(c) Amounts recognised in profit or loss

	2019 US$
Depreciation of right-of-use assets	37,697
Interest expense on lease liabilities (Note 6)	5,533
Total amount recognised in profit or loss	43,230

(d) Total cash outflow

The Group had total cash outflows for leases of US$ 143,684 in 2019.

18. Related party transactions

Parties are considered to be related if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision or vice versa. Parties subjected to common control or common significant influences are considered to be related parties. Related parties may be individuals or companies.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	2019 US$	2018 US$
Laboratory fees	394,919	-
Rental expenses	36,156	-
Salaries, bonuses and other short-term benefits	101,867	92,108
Director fees	-	16,960
Contributions to Central Provident Fund	10,222	10,284
	543,164	119,352

19. Financial risk management

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

The director 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 Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

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

Market risk

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

Foreign currency risk

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

19. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore dollar ("SGD") and Chinese yuan ("RMB").

Group	SGD	RMB
	US$	US$
2019		
Financial assets		
Cash and cash equivalents	141,623	91,796
Trade and other receivables	2,706,288	225,945
	2,847,911	317,741
Financial liabilities		
Trade and other payables	(1,807,093)	(51,261)
Bank borrowings	(4,573,658)	-
	(6,380,751)	(51,261)
Currency exposure	(3,532,840)	266,480

	SGD	RMB
	US$	US$
2018		
Financial assets		
Cash and cash equivalents	26,703	94,180
Trade and other receivables	8,892,260	9,892
	8,918,963	104,072
Financial liabilities		
Trade and other payables	(424,916)	(29,712)
Bank borrowings	(742,703)	-
	(1,167,619)	(29,712)
Currency exposure	7,751,344	74,360

19. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

Company	SGD US$	RMB US$
2019		
Financial assets		
Cash and cash equivalents	141,623	-
Trade and other receivables	2,706,288	225,945
	2,847,911	225,945
Financial liabilities		
Trade and other payables	(1,807,093)	-
Bank borrowings	(4,573,658)	-
	(6,380,751)	-
Currency exposure	(3,532,840)	225,945

Company	SGD US$	RMB US$
2018		
Financial assets		
Cash and cash equivalents	26,703	-
Trade and other receivables	8,892,260	-
	8,918,963	-
Financial liabilities		
Trade and other payables	(424,916)	-
Bank Borrowings	(742,703)	
	(1,167,619)	
Currency exposure	7,751,344	-

A 10% strengthening of United States dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (before tax) Group		Profit or loss (before tax) Company	
	2019 US$	2018 US$	2019 US$	2018 US$
SGD	(353,284)	(775,134)	(3,532,84)	(775,134)
RMB	(26,648)	(7,436)	(22,594)	-

19. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

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

Interest rate risk

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

The Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Credit risk

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

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

The Group 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 Group 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.

19. Financial risk management (continued)

Credit risk (continued)

To minimise credit risk, the Group has developed and maintained the Group'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 Group's own trading records to rate its major customers and other debtors. The Group 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
- 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 Group determined that its financial assets are credit-impaired when:

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

The Group 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 Group'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

19. Financial risk management (continued)

Credit risk (continued)

The table below details the credit quality of the Group'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	Loss allowance	Net carrying amount
31 December 2019						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	217	-	217
Other receivables	12	I	12-month ECL	4,173,686	-	4,173,686
					-	
1 January 2019						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	1,318,963	-	1,318,963
Other receivables	12	I	12-month ECL	8,901,240	-	8,901,240
					-	

Trade receivables (Note 1)

For trade receivables, the Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group 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.

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 Group's performance to developments affecting a particular industry.

Exposure to credit risk

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors. The Group's trade receivables include one debtor (2018: one debtor) that collectively represented 100% (2018: 99%) of trade receivables at reporting date.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

19. Financial risk management (continued)

Liquidity risk

Liquidity risk refers to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	Carrying amount US$	Contractual cash flows US$	One year or less US$	Two to five years US$	More than five years US$
2019					
Financial assets					
Cash and bank balances	2,119,802	2,119,802	2,119,802	-	-
Trade and other receivables	177,796	177,796	177,796	-	-
	2,297,598	2,297,598	2,297,598	-	-
Financial liabilities					
Trade and other payables	2,805,042	2,805,042	2,805,042	-	-
Bank borrowings (excluding lease liabilities)	4,330,431	4,367,542	4,240,118	127,424	-
Finance lease liabilities	243,227	260,161	100,942	159,219	-
	7,378,700	7,432,745	7,146,102	286,643	-
Total net undiscounted financial liabilities	(5,081,102)	(5,135,147)	(4,848,504)	(286,643)	-

Group	Carrying amount US$	Contractual cash flows US$	One year or less US$	Two to five years US$	More than five years US$
2018					
Financial assets					
Cash and bank balances	1,019,646	1,019,646	1,019,646	-	-
Trade and other receivables	1,753,878	1,753,878	1,753,878	-	-
	2,773,524	2,773,524	2,773,524	-	-
Financial liabilities					
Trade and other payables	2,603,388	2,603,388	2,603,388	-	-
Bank borrowings	726,273	728,294	589,630	138,664	-
Finance lease liabilities	16,430	17,096	14,657	2,439	-
	3,346,091	3,348,778	3,207,675	141,103	-
Total net undiscounted financial liabilities	(572,567)	(575,254)	(434,151)	(141,103)	-

19. Financial risk management (continued)

Liquidity risk (continued)

Company	Carrying amount US$	Contractual cash flows US$	One year or less US$	Two to five years US$	More than five years US$
2019					
Financial assets					
Cash and bank balances	1,975,035	1,975,035	1,975,035	-	-
Trade and other receivables	174,514	174,514	174,514	-	-
	2,149,549	2,149,549	2,149,549	-	-
Financial liabilities					
Trade and other payables	2,835,255	2,835,255	2,835,255	-	-
Bank borrowings (excluding lease liabilities)	4,330,431	4,367,542	4,240,118	127,424	-
Finance lease liabilities	243,227	260,161	100,942	159,219	-
	7,408,913	7,462,958	7,176,315	286,643	-
Total net undiscounted financial liabilities	(5,259,364)	(5,313,409)	(5,026,766)	(286,643)	-

Company	Carrying amount US$	Contractual cash flows US$	One year or less US$	Two to five years US$	More than five years US$
2018					
Financial assets					
Cash and bank balances	925,466	925,466	925,466	-	-
Trade and other receivables	1,751,111	1,751,111	1,751,111	-	-
	2,676,577	2,676,577	2,676,577	-	-
Financial liabilities					
Trade and other payables	2,573,676	2,573,676	2,573,676	-	-
Bank borrowings	726,273	728,294	589,630	138,664	-
Finance lease liabilities	16,430	17,096	14,657	2,439	-
	3,316,379	3,319,066	3,177,963	141,103	-
Total net undiscounted financial liabilities	(639,802)	(642,489)	(501,386)	(141,103)	-

20. Fair values

Cash and cash equivalents, other receivables and other payables

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

Trade receivables and trade payables

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

Finance lease liabilities and bank borrowings

The carrying amounts of finance lease liabilities and bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

21. Financial instruments by category

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

	Group		Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Financial assets at amortised cost				
Cash and bank balances	2,119,802	1,019,646	1,975,035	925,466
Trade and other receivables	177,796	1,753,878	174,514	1,751,111
Total financial assets measured at amortised cost	2,297,598	2,773,524	2,149,549	2,676,577
Financial liabilities measured at amortised cost				
Trade and other payables	2,805,042	2,603,388	2,835,255	2,573,676
Bank borrowings	4,573,658	726,273	4,573,658	726,273
Total financial liabilities measured at amortised cost	7,378,700	3,346,091	7,408,913	3,316,379

22. Subsequent event

The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of the business operation will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the Singapore market and overall economy, all of which are highly uncertain and cannot be predicted. If Singapore markets or the overall economy are impacted for an extended period, the financial performance of the Group may be materially adversely affected.

23. Capital management

The primary objective of the Group'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 Group comprises issued share capital and accumulated profits.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group 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 December 2019 and 2018.

BR METALS PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 US$	2018 US$
Revenue	108,360,716	34,887,649
Less:		
Costs of sales		
Opening inventories	153,840	75,179
Purchases	99,217,839	32,195,229
Freight and handling cost	470,654	218,902
Others	456,119	15,714
	100,298,452	32,505,024
Closing inventories	(2,474,488)	(153,840)
	97,823,964	32,351,184
Gross profit	10,536,752	2,536,465
Add:		
Other income		
Government grants	32,425	42,151
Income from consignment Sales	464,015	-
Interest income	488,921	74,069
Finance charge income	-	10,657
Gain on disposal of plant and equipment	37	3,086
Miscellaneous income	1,213,205	221,069
	2,198,602	351,032
Less:		
Administrative expenses	887,515	911,144
Distribution and marketing expenses	669,709	156,771
Operating expenses	2,311,931	435,221
Finance costs	90,748	46,758
	3,959,903	1,549,894
Profit before income tax	8,775,451	1,337,603

BR METALS PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 US$	2018 US$
Administrative expenses		
Administrative Fee	-	122
Accounting Fee	-	2,015
Audit Fees	13,561	12,402
Bad Debt	160,740	12,475
Custom fees	-	1,204
Bank Charges	67,003	16,874
Disposal of inventory	-	375
Donations	6,131	-
Fines and Penalties	55	99
General Expenses	29,493	61,058
Insurance - Old Account	82,835	30,588
IT and Telecommunication	21,980	8,908
Licence Fee	1,859	620
Medical Expenses	2,306	933
Office Rental	143,684	50,808
Office Supplies	5,526	619
Pantry Supplies	1,502	1,066
Postage and Courier	7,794	7,130
Printing and Stationery	1,436	1,567
Professional Fees	50,172	34,497
Recruitment Expenses	272	1,660
Repairs and Maintenance	6,160	693
Representation Office's Tax expenses	1,899	-
Staff Training	2,660	36
Staff Welfare	25,273	6,580
Transportation	18,447	18,786
Other Rental	1,296	21,278
Lab Fee	234,702	-
Ferry Expenses	729	-
Sales and Distribution Expenses	-	7,944
Tax fee	-	3,228
	887,515	303,565
Distribution and marketing expenses		
Marketing Expenses	48,494	106,129
Advertisement and Promotions	22,585	16,278
Website Development Expenses	189	2,020
Repairs and Maintenance	30,440	6,777
Sampling Analysis	138,498	-
Sampling Expenses	44,073	5,123
Utilities	13,078	5,788
Vehicle Expenses	24,515	10,739
Warehouse Supplies	23,483	-
Balance carried forward	345,355	152,854

BR METALS PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 US$	2018 US$
Balance brought forward	345,355	152,854
Warehouse Service Fee	17,294	900
Waste Disposal Service	7,912	4,509
Factory Supplies	33,374	13,335
Laboratory Supplies	8,286	1,425
Commission Expenses	17,737	29,191
Travelling	180,634	66,932
Entertainment	59,117	22,926
	669,709	292,072
Other operating expenses		
Salaries	835,689	591,168
CPF	68,240	106,383
FWL	6,833	8,984
SDL	1,262	1,096
Staff Allowances	3,944	68
Leave Encashment	1,823	-
Staff Bonus	267,751	25,299
Staff Commission	157,641	-
Staff Incentives	93,347	58,376
CMC Hedging Gain/Loss	696,609	-
Consultation fee	21,930	-
Exchange loss	23	-
Depreciation	156,839	116,125
	2,311,931	907,499
Finance costs		
Term loan interest	90,748	46,758
Total expenses	3,959,903	1,549,894

BR METALS PTE. LTD. AND ITS SUBSIDIARY
(Company Registration Number: 201403920D)

FINANCIAL STATEMENTS

For the financial year ended 31 DECEMBER 2018

BR METALS PTE. LTD. AND ITS SUBSIDIARY

Contents

DIRECTOR'S STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The director is pleased to present the statement to the member together with the audited financial statements of BR Metals Pte. Ltd. (the "Company") and its subsidiary (the "Group") for the financial year ended 31 December 2018 and the statement of financial position of the Company as at 31 December 2018.

Opinion of the director

In the opinion of the director,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

Director

The director of the Company in office at the date of this statement is:

Chan Hong Koon, Francis

Arrangements to enable director 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 whose objects is, to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Director's interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the director 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:

	Deemed interest	
Name of director	**At 1 January 2018**	**At 31 December 2018**
Ordinary shares of the Company		
Chan Hong Koon, Francis	60,000	60,000

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

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

Auditor

RT LLP has expressed its willingness to accept re-appointment as auditor.

The director

Chan Hong Koon, Francis
Director

Singapore
7 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BR METALS PTE. LTD. FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BR Metals Pte. Ltd. (the "Company") and its subsidiary (the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated statement of cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Other Matters

As mentioned in Note 24, the financial statements of the Group for the financial year ended 31 December 2017 were audited by another auditor who expressed a modified opinion on non-preparation of consolidation financial statements on 29 August 2018.

RT LLP
Chartered Accountants
UEN : T08LL0811J

RT ASEAN Pte Ltd
Head Office
UEN : 201537050N

RT Advisory Pte Ltd
UEN : 201510979W

RT Links Pte Ltd
UEN : 201542866E

RT Academy Pte Ltd
UEN : 201527798R

RT International Advisory Pte Ltd
UEN : 201726206W

ONE FACE ACROSS ASEAN

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for other information. The other information comprises the Director's Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Director for the Financial Statements

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

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

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BR METALS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RT LLP
Public Accountants and
Chartered Accountants

Singapore
7 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Group 2018 US$	Group 2017 US$
Revenue	4	35,213,684	8,077,809
Cost of sales		(32,518,213)	(6,553,680)
Gross profit		2,695,471	1,524,129
Other income	5	351,032	63,770
Administrative expenses		(1,051,498)	(634,913)
Distribution and marketing expenses		(156,771)	(34,315)
Operating expenses		(436,342)	(361,527)
Finance costs	6	(46,895)	(148)
Profit before income tax	7	1,354,997	556,996
Income tax expense	8	(213,444)	(75,192)
Profit for the year, representing total comprehensive income for the year		1,141,553	481,804

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Group 2018 US$	Group 2017 US$	Company 2018 US$	Company 2017 US$
ASSETS					
Non-current assets					
Plant and equipment	9	260,628	294,772	206,085	219,401
Investment in a subsidiary	10	-	-	97,135	97,135
Intangible asset	11	583	788	-	-
		261,211	295,560	303,220	316,536
Current assets					
Cash and bank balances		1,019,646	289,277	925,466	252,392
Trade and other receivables	12	10,220,203	754,916	10,210,311	719,983
Inventories	13	10,661,702	75,179	10,661,702	75,179
		21,901,551	1,119,372	21,797,479	1,047,554
Total assets		22,162,762	1,414,932	22,100,699	1,364,090
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	74,820	74,820	74,820	74,820
Accumulated profits		2,321,904	1,180,351	2,269,590	1,143,677
Currency translation reserve		(24,725)	(15,948)	-	-
Total equity		2,371,999	1,239,223	2,344,410	1,218,497
Non-current liabilities					
Bank borrowings	15	141,477	-	141,477	-
Finance lease liabilities	16	2,298	-	2,298	-
		143,775	-	143,775	-
Current liabilities					
Trade and other payables	17	18,831,608	100,482	18,801,896	73,201
Bank borrowings	15	584,796	-	584,796	-
Finance lease liabilities	16	14,132	-	14,132	-
Provision for taxation		216,452	75,227	211,690	72,392
		19,646,988	175,709	19,612,514	145,593
Total equity and liabilities		22,162,762	1,414,932	22,100,699	1,364,090

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Share capital	Accumulated profits	Currency translation reserve	Total equity
	US$	US$	US$	US$
At 1 January 2018	74,820	1,180,351	(15,948)	1,239,223
Profit for the year	-	1,141,553	-	1,141,553
Other comprehensive income for the year - Currency translation differences arising from consolidation	-	-	(8,777)	(8,777)
Total comprehensive income for the year	-	1,141,553	(8,777)	1,132,776
At 31 December 2018	74,820	2,321,904	(24,725)	2,371,999
At 1 January 2017	74,820	698,547	-	773,367
Profit for the year	-	481,804	-	481,804
Other comprehensive income for the year - Currency translation differences arising from consolidation	-	-	(15,948)	(15,948)
Total comprehensive income for the year	-	481,804	(15,948)	465,856
At 31 December 2017	74,820	1,180,351	(15,948)	1,239,223

Company	Share capital	Accumulated profits	Currency translation reserve	Total equity
At 1 January 2018	74,820	1,143,677	-	1,218,497
Total comprehensive income for the year	-	1,125,913	-	1,125,913
At 31 December 2018	74,820	2,269,590	-	2,344,410
At 1 January 2017	74,820	680,340	-	755,160
Total comprehensive income for the year	-	463,337	-	463,337
At 31 December 2017	74,820	1,143,677	-	1,218,497

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group	
	2018 US$	2017 US$
Operating activities		
Profit before income tax	1,354,997	556,996
Adjustments for:		
- Amortisation of intangible asset	170	69
- Depreciation of plant and equipment	134,344	127,485
- Interest expenses	46,895	148
- Interest income	(74,069)	(15,388)
- Written off of plant and equipment	-	2,420
- Gain on disposal of plant and equipment	(3,086)	-
Operating cash flows before changes in working capital	1,459,251	671,730
Changes in working capital		
- Inventories	(10,586,523)	126,993
- Trade and other receivables	(9,467,108)	(313,322)
- Trade and other payables	16,564,514	(184,318)
Cash (used in)/generated from operations	(2,029,866)	301,083
Income tax paid	(72,004)	(56,711)
Cash flows (used in)/generated from operating activities	(2,101,870)	244,372
Investing activities		
Acquisition of subsidiary	-	(97,135)
Interest received	74,069	15,388
Purchase of plant and equipment	(106,765)	(135,488)
Purchase of intangible asset	-	(859)
Proceeds from disposal of plant and equipment	28,184	-
Cash flows used in investing activities	(4,512)	(218,094)
Financing activities		
Interest paid	(46,895)	(148)
Non-trade amounts due to a director	2,168,033	(40,314)
Proceeds from bank borrowings	726,273	-
Repayment of finance lease liabilities	(4,675)	-
Cash flows generated from/(used in) financing activities	2,842,736	(40,462)
Net increase/(decrease) in cash and cash equivalents	736,354	(14,184)
Cash and cash equivalent at 1 January	289,277	300,715
Effect of foreign exchange rate difference	(5,985)	2,746
Cash and cash equivalent at 31 December	1,019,646	289,277

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

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

	1 January 2018 US$	Principal and interest payments US$	Non-cash changes: interest expenses US$	31 December 2018 US$
Bank borrowings	-	714,058	12,215	726,273
Finance lease liabilities	-	16,235	195	16,430
	-	730,293	12,410	742,703

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

1. General information

BR Metals Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 51 Woodlands Industrial Park E2, Nordix Singapore 757472.

The principal activities of the Company are those of scrap metals, precious metal recycling and trading. The principal activities of the subsidiary are set out in the Note 10 to the financial statements.

The financial statements of the Group and the statement of the financial position of the Company for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Directors on the date of the Director's Statement.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity 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 individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States Dollar ("US$") which is also the functional currency of the Company.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which relevant to the Group and are effective for annual financial years beginning on or after 1 January 2018. Except for the adoption of FRS 109 *Financial Instruments* and FRS 115 *Revenue from Contracts with Customers* described below, the adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied FRS 109 retrospectively, with an initial application date of 1 January 2018. The Group has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 *Financial Instruments*: Disclosures relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

2. Significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 109 Financial Instruments (continued)

The nature of the adjustments are described below:

Classification and measurement

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss ("FVPL"), amortised cost or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under FRS 39. The following are the changes in the classification and measurement of the Group's financial assets:

a) Trade and other receivables classified as loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 January 2018.

The Group has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Group's financial liabilities.

Impairment

The adoption of FRS 109 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. FRS 109 requires the Group to recognise an allowance for ECLs for all debt instruments not held at FVPL.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

2. Significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 115 Revenue from Contracts with Customers (continued)

The Group adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to contracts not completed as at 1 January 2018.

The Group has determined that the cumulative effect of initially applying FRS 115 at the date of initial application does not have material impact on the financial performance or financial position of the Group and the Company.

2.3 Standards issued but not yet effective

At the date of authorisation of these statements, the following FRS and INT FRS that are relevant to the Group were issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
FRS 116 Leases	1 January 2019
INT FRS 123 Uncertainty over Income Tax Treatments	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
Annual Improvements to FRSs (March 2018)	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 116, the director expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

FRS 116 Leases (continued)

On the adoption of FRS 116, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

a) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or

b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

a) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;

b) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and

c) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

2.4 Group accounting

Subsidiaries

Consolidation

Subsidiaries are all entities (including structure entities) over which the Group has control. The Group controls the entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

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

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

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

Subsidiaries (continued)

Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. Goodwill on subsidiary is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary include the carrying amount of goodwill relating to the entity sold.

Disposals

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

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

Please refer to the paragraph "Investment in subsidiary" for the accounting policy on investments in subsidiary in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

Subsidiaries (continued)

Transactions with non-controlling interests

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

2.5 Investment in subsidiary

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

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of 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 plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the 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:

	Useful lives
Computers	3 years
Furniture and fittings	3 years
Machinery	3 years
Motor vehicles	3 years
Office equipment	3 years
Renovation	3 years
Working equipment	3 years

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

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

2. Significant accounting policies (continued)

2.7 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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

2.8 Impairment of non-financial assets

The Group 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 Group 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 groups 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, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 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.

2. Significant accounting policies (continued)

2.10 Financial instruments

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

Financial assets

Initial recognition and measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at 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 Group 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 Group'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, FVOCI and FVPL. The Group only has debt instruments at amortised cost.

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group 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 Group's right to receive payments is established. For investments in equity instruments which the Group 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.

2. Significant accounting policies (continued)

2.10 Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group 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.

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.

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

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group 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 fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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 derecognised or impaired, and through the amortisation process.

Loans and receivables comprise trade and other receivables (excluding prepayments, advance to suppliers and GST receivables), and cash and cash equivalents.

2. Significant accounting policies (continued)

2.10 Financial instruments (continued)

Financial assets (continued)

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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group 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

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

Such financial liabilities comprise trade and other payables (excluding advance from customers), finance lease liabilities and bank borrowings.

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.

2.11 Current/non-current classification of borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

2.12 Borrowings costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2. Significant accounting policies (continued)

2.13 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018: The Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

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

Financial assets carried at cost

For financial assets carried at amortised cost, the Group 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 Group 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.

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 flows 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.

2. Significant accounting policies (continued)

2.13 Impairment of financial assets (continued)

Financial assets carried at cost (continued)

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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 amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group 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 amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.16 Provisions

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

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

2.17 Share capital

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

2. Significant accounting policies (continued)

2.18 Revenue recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018:

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

Revenue is recognised when the Group 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.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

These accounting policies are applied before the initial application date of FRS 115, 1 January 2018:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.19 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting year, in the country that the Group 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.

2. Significant accounting policies (continued)

2.19 Taxes (continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiary, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered. 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 in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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.

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.

2. Significant accounting policies (continued)

2.20 Leases

Finance leases - lessee

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating leases - lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.21 Foreign currency transaction and balances

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Significant accounting policies (continued)

2.20 Intangible assets

Computer software

Acquired computer software licences are initially capitalised on the basis of the costs incurred to acquire and prepare the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss over their estimated useful lives of 5 years.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting year. 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 years.

Judgements made in applying accounting policies

The management is of the opinion that there are no significant judgments (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year are discussed below. The Group 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 Group. Such changes are reflected in the assumptions when they occur.

a) Useful lives of plant and equipment

The Group depreciates its plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's plant and equipment are disclosed in Note 9 to the financial statements.

3. Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

b) Impairment of investment in subsidiary

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's and Group's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to five years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investment in subsidiary as at 31 December 2018 was US$97,135 (2017: US$97,135).

c) Provision for expected credit losses of trade receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the expected credit losses on the Group's trade receivables is disclosed in Note 20. The carrying amounts of the Group's and the Company's trade receivables as at 31 December 2018 were US$1,318,963 (2017: US$31,896) and US$1,318,963 (2017: Nil) respectively.

4. Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

	2018 US$	2017 US$
At a point in time		
Sales of precious metals	34,753,265	7,802,657
Sales of scrap metals	134,384	27,101
Consultancy services	272,454	242,034
Sales of goods	53,581	6,017
	35,213,684	8,077,809

5. Other income

	Group 2018 US$	Group 2017 US$
Government grants	42,151	46,668
Interest income	74,069	15,388
Finance charge income	10,657	-
Gain on disposal of plant and equipment	3,086	-
Miscellaneous income	221,069	1,714
	351,032	63,770

6. Finance costs

	Group 2018 US$	Group 2017 US$
Term loan interest	137	148
Interest expense	46,758	-
	46,895	148

7. Profit before income tax

The following items have been included in arriving at profit before income tax:

	Group 2018 US$	Group 2017 US$
Cambodia office expenses	33,389	69,281
Foreign exchange loss	-	66,620
Operating lease expense	65,710	47,404
Employee benefits expenses (including director):		
- Salaries, bonuses and other costs	492,437	360,060
- Contributions to Central Provident Fund	54,628	39,845
Transportation and travelling	70,770	78,479

8. Income tax expense

	2018 US$	2017 US$
Current income tax		
Current year	213,444	75,192
	213,444	75,192

8. Income tax expense (continued)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2018 and 2017 were as follows:

	Group	
	2018 US$	2017 US$
Profit before income tax	1,354,997	556,996
Taxation at statutory tax rate of 17% (2017: 17%)	230,350	94,689
Tax effects of:		
- Non-deductible expenses	2,733	9,540
- Income not subject to tax	(235)	(1,613)
- Tax incentives	(27,814)	(39,013)
- Deferred tax assets not recognised	8,148	11,169
- Difference in tax rate	262	420
Income tax expense recognised in profit or loss	213,444	75,192

9. Plant and equipment

Group	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Total US$
Cost								
At 1 January 2018	202,573	6,036	110,776	50,538	3,803	17,855	149,333	540,914
Additions	1,540	-	15,718	76,309	572	-	33,731	127,870
Disposals	-	-		(40,253)	-	-	-	(40,253)
Exchange differences	(655)	-	(4,627)	(416)	-	-	-	(5,698)
At 31 December 2018	203,458	6,036	121,867	86,178	4,375	17,855	183,064	622,833
Accumulated depreciation								
At 1 January 2018	78,076	2,886	39,133	10,277	1,772	7,614	106,384	246,142
Depreciation	62,630	1,432	20,559	15,859	1,274	3,571	29,019	134,344
Disposals	-	-	-	(15,840)	-	-	-	(15,840)
Exchange differences	(582)	-	(1,827)	(32)	-	-	-	(2,441)
At 31 December 2018	140,124	4,318	57,865	10,264	3,046	11,185	135,403	362,205
Carrying amount								
At 31 December 2018	63,334	1,718	64,002	75,914	1,329	6,670	47,661	260,628

9. **Plant and equipment (continued)**

Group	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Total US$
Cost								
At 1 January 2017	170,957	4,314	73,795	16,152	3,542	15,311	129,427	413,498
Additions	30,868	1,722	32,249	47,938	261	2,544	19,906	135,488
Write-off	-	-	-	(14,227)	-	-	-	(14,227)
Exchange differences	748	-	4,732	675	-	-	-	6,155
At 31 December 2017	202,573	6,036	110,776	50,538	3,803	17,855	149,333	540,914
Accumulated depreciation								
At 1 January 2017	24,650	2,021	18,595	7,428	700	1,784	73,347	128,525
Depreciation	55,994	865	19,483	11,204	1,072	5,830	33,037	127,485
Write-off	(3,247)	-	-	(8,560)	-	-	-	(11,807)
Exchange differences	679	-	1,055	205	-	-	-	1,939
At 31 December 2017	78,076	2,886	39,133	10,277	1,772	7,614	106,384	246,142
Carrying amount								
At 31 December 2017	124,497	3,150	71,643	40,261	2,031	10,241	42,949	294,772

9. Plant and equipment (continued)

Company	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Total US$
Cost								
At 1 January 2018	190,491	6,036	22,055	42,572	3,803	17,855	149,333	432,145
Additions	892	-	15,718	76,309	572	-	33,731	127,222
Disposals	-	-	-	(40,253)	-	-	-	(40,253)
At 31 December 2018	191,383	6,036	37,773	78,628	4,375	17,855	183,064	519,114
Accumulated depreciation								
At 1 January 2018	67,758	2,886	16,116	10,214	1,772	7,614	106,384	212,744
Depreciation	61,486	1,432	4,230	15,113	1,274	3,571	29,019	116,125
Disposals	-	-	-	(15,840)	-	-	-	(15,840)
At 31 December 2018	129,244	4,318	20,346	9,487	3,046	11,185	135,403	313,029
Carrying amount								
At 31 December 2018	62,139	1,718	17,427	69,141	1,329	6,670	47,661	206,085

9. Plant and equipment (continued)

Company	Computers and software US$	Furniture and fittings US$	Machinery US$	Motor vehicle US$	Office equipment US$	Renovations US$	Working equipment US$	Total US$
Cost								
At 1 January 2017	159,623	4,314	17,329	2,319	3,542	15,311	129,427	331,865
Additions	30,868	1,722	4,726	40,253	261	2,544	19,906	100,280
At 31 December 2017	190,491	6,036	22,055	42,572	3,803	17,855	149,333	432,145
Accumulated depreciation								
At 1 January 2017	13,570	2,021	10,016	310	700	1,784	73,347	101,748
Depreciation	54,188	865	6,100	9,904	1,072	5,830	33,037	110,996
At 31 December 2017	67,758	2,886	16,116	10,214	1,772	7,614	106,384	212,744
Carrying amount								
At 31 December 2017	122,733	3,150	5,939	32,358	2,031	10,241	42,949	219,401

Plant and equipment of the Group and of the Company with carrying amount of US$45,375 and US$45,375 (2017: Nil and Nil) respectively were acquired under finance lease arrangements (Note 16).

In 2018, the Group and the Company acquired plant and equipment for an aggregate of US$127,870 and US$127,222 (2017: US$135,488 and US$100,280) of which US$21,105 and US$21,105 (2017: Nil and Nil) respectively were acquired by means of finance leases.

10. Investment in a subsidiary

	Company 2018 US$	Company 2017 US$
Unquoted equity shares, at cost	97,135	97,135

The detail of the subsidiary is as below:

Name of company (Country of incorporation/place of business)	Principal activities	Proportion of ownership interest 2018 %	Proportion of ownership interest 2017 %
BR Metals Limited (China)	Those of scrap metals, precious metal recycling and trading.	100	100

On 13 April 2017, the Company acquired a 100% equity interest in a company in China known as BR Metals Limited (China), for a total cash consideration of RMB649,591.74.

The Company has considered its existing voting rights held in its capacity and in trust, which gives the Company's majority voting rights and the practical ability to direct the relevant activities of BR Metals Limited (China). Consequently, BR Metals Limited (China) is controlled by the Company and has been accounted for as "Investment in a Subsidiary" as at 31 December 2017.

11. Intangible assets

	Group 2018 S$	Group 2017 S$
Cost		
At 1 January	859	-
Additions	-	859
Exchange differences	(45)	-
At 1 December	814	859
Accumulated amortisation		
At 1 January	71	-
Amortisation	170	69
Exchange differences	(10)	2
At 1 December	231	71
Carrying amount		
At 1 December	583	788

12. Trade and other receivables

	Group		Company	
	2018 US$	2017 US$	2018 US$	2017 US$
Trade receivables - third parties	1,318,963	31,896	1,318,963	-
Advance to suppliers	8,244,896	602,059	8,244,896	602,059
Deposit	139,410	13,685	139,410	13,685
GST receivables	186,384	99,530	186,384	99,530
Other receivables - third parties	270,972	2,607	268,205	-
Prepayments	35,045	4,766	27,920	4,336
Staff advances	24,533	373	24,533	373
	10,220,203	754,916	10,210,311	719,983

Trade receivables are non-interest bearing and are generally on a 30 days' terms (2017: 30 days' terms).

13. Inventories

	Group		Company	
	2018 US$	2017 US$	2018 US$	2017 US$
Finished goods	153,840	75,179	153,840	75,179
Goods in transit	10,507,862	-	10,507,862	-
	10,661,702	75,179	10,661,702	75,179

The cost of inventories recognised as an expense and included in "cost of sales" amounted to US$32,116,568 (2017: US$6,259,128).

Management reviews an ageing analysis at each reporting date, and makes allowance for obsolete and slow-moving inventory items that are identified as obsolete and slow-moving, if any. Management estimates the net realisable value for goods for resale based primarily on the latest selling prices and current market conditions. There is no write-off of inventory during the financial year.

14. Share capital

	Group and Company			
	2018		2017	
	No of shares	US$	No of shares	US$
Issued and fully paid ordinary shares				
At 1 January and 31 December	74,820	74,820	74,820	74,820

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

15. Bank borrowings

	Group and Company 2018 US$	Group and Company 2017 US$
Trust receipts	537,484	-
Term loan	188,789	-
	726,273	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	584,796	-
Amount due for settlement after 12 months	141,477	-

The effective interest rate implicit in the trust receipts are ranging from 5.26% to 5.92% (2017: Nil) per annum.

The effective interest rate implicit in the term loan is approximately at 6.12% (2017: Nil) per annum.

The term loan and trust receipts are secured by joint and several guarantees executed by the director of the Group and the Company.

16. Finance lease liabilities

	Group and Company			
	Minimum lease payment		Present value of minimum lease payment	
	2018 US$	2017 US$	2018 US$	2017 US$
Not later than one year	14,657	-	14,132	-
Later than one year but not later than five years	2,439	-	2,298	-
Total minimum lease payments	17,096	-	16,430	-
Less: Amount representing future finance charges	(666)	-	-	-
Present value of minimum lease payments	16,430	-	16,430	-
Presented as:				
Current finance lease liabilities			14,132	-
Non-current finance lease liabilities			2,298	-
			16,430	-

16. Finance lease liabilities (continued)

The finance lease term are 18 months. In 2018, the effective interest rates charged during the financial year are 5.23% (2017: Nil) per annum. Interest rates are fixed at the contract dates, and thus expose the Group to fair value interest rate risk. All lease are on a fixed repayment basis and no arrangement have been entered into for contingent rental payment.

The Group's and the Company's obligations under finance leases are secured by the lessors' title to the leased assets (Note 9).

17. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	US$	US$	US$	US$
Trade payables - third parties	278,947	-	278,947	-
Amount due to director	2,208,346	40,313	2,208,346	40,313
Accrued expenses	97,506	32,449	86,383	24,779
Advance from customers	16,228,220	-	16,228,220	-
Others	-	8,109	-	8,109
Other payables - third parties	18,589	19,611	-	-
	18,831,608	100,482	18,801,896	73,201

Trade payables are non-interest bearing and are generally on a 30 days' terms (2017: 30 days' terms).

The non-trade amount due to director is unsecured, non-interest bearing and repayable on demand.

18. Related party transactions

Parties are considered to be related if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision or vice versa. Parties subjected to common control or common significant influences are considered to be related parties. Related parties may be individuals or companies.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Compensation by key management personnel	Group	
	2018	2017
	US$	US$
Director's remunerations		
Salaries, bonuses and other short-term benefits	92,108	92,081
Director fees	16,960	19,379
Contributions to Central Provident Fund	10,284	11,540
	119,352	123,000

19. Commitments

Operating lease commitments - where the Group is a lessee

The Group leases land from third party under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2018 US$	2017 US$
Not later than one year	25,943	44,892
Between one to five years	-	26,187
	25,943	71,079

20. Financial risk management

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

The director 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 Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

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

Market risk

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

Foreign currency risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore dollar ("SGD") and Chinese yuan ("RMB").

20. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

Group	SGD US$	RMB US$
2018		
Financial assets		
Cash and cash equivalents	26,703	94,180
Trade and other receivables	8,892,260	9,892
	8,918,963	104,072
Financial liabilities		
Trade and other payables	(424,916)	(29,712)
Bank borrowings	(742,703)	-
	(1,167,619)	(29,712)
Currency exposure	7,751,344	74,360
2017		
Financial assets		
Cash and cash equivalents	38,432	36,885
Trade and other receivables	719,983	34,933
	758,415	71,818
Financial liabilities		
Trade and other payables	(73,201)	(27,281)
Currency exposure	685,214	44,537

Company	SGD US$	RMB US$
2018		
Financial assets		
Cash and cash equivalents	26,703	-
Trade and other receivables	8,892,260	-
	8,918,963	-
Financial liabilities		
Trade and other payables	(424,916)	-
Bank borrowings	(742,703)	-
	(1,167,619)	-
Currency exposure	7,751,344	-

20. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

Company	SGD US$	RMB US$
2017		
Financial assets		
Cash and cash equivalents	38,432	-
Trade and other receivables	719,983	-
	758,415	-
Financial liabilities		
Trade and other payables	(73,201)	-
Currency exposure	685,214	-

A 10% strengthening of United States dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (before tax) Group		Profit or loss (before tax) Company	
	2018 US$	2017 US$	2018 US$	2017 US$
SGD	(775,134)	(68,521)	(775,134)	(68,521)
RMB	(7,436)	(4,454)	-	-

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

Interest rate risk

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

The Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

20. Financial risk management (continued)

Credit risk

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

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

The Group 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 Group 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 Group has developed and maintained the Group'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 Group's own trading records to rate its major customers and other debtors. The Group 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
- 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 Group determined that its financial assets are credit-impaired when:

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

The Group 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.

20. Financial risk management (continued)

Credit risk (continued)

The Group'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

The table below details the credit quality of the Group'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	Loss allowance	Net carrying amount
31 December 2018						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	1,318,963	-	1,318,963
Other receivables	12	I	12-month ECL	8,901,240	-	8,901,240
					-	
1 January 2018						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	31,896	-	31,896
Other receivables	12	I	12-month ECL	723,020	-	723,020
					-	

Trade receivables (Note 1)

For trade receivables, the Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group 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.

20. Financial risk management (continued)

Credit risk (continued)

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 Group's performance to developments affecting a particular industry.

Exposure to credit risk

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors. The Group's trade receivables include one debtor (2017: three debtors) that collectively represented 99% (2017: 100%) of trade receivables at reporting date.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Liquidity risk

Liquidity risk refers to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	Carrying amount US$	Contractual cash flows US$	One year or less US$	Two to five years US$	More than five years US$
2018					
Financial assets					
Cash and bank balances	1,019,646	1,019,646	1,019,646	-	-
Trade and other receivables	1,753,878	1,753,878	1,753,878	-	-
	2,773,524	2,773,524	2,773,524	-	-
Financial liabilities					
Trade and other payables	2,603,388	2,603,388	2,603,388	-	-
Bank borrowings	726,273	728,294	589,630	138,664	-
Finance lease liabilities	16,430	17,096	14,657	2,439	-
	3,346,091	3,348,778	3,207,675	141,103	-
Total net undiscounted financial liabilities	(572,567)	(575,254)	(434,151)	(141,103)	-

20. Financial risk management (continued)

Liquidity risk (continued)

Group	Carrying amount US$	Contractual cash flows US$	One year or less US$	Two to five years US$	More than five years US$
2017					
Financial assets					
Cash and bank balances	289,277	289,277	289,277	-	-
Trade and other receivables	48,561	48,561	48,561	-	-
	337,838	337,838	337,838	-	-
Financial liabilities					
Trade and other payables	100,482	100,482	100,482	-	-
Total net undiscounted financial assets	237,356	237,356	237,356	-	-
Company					
2018					
Financial assets					
Cash and bank balances	925,466	925,466	925,466	-	-
Trade and other receivables	1,751,111	1,751,111	1,751,111	-	-
	2,676,577	2,676,577	2,676,577	-	-
Financial liabilities					
Trade and other payables	2,573,676	2,573,676	2,573,676	-	-
Bank borrowings	726,273	728,294	589,630	138,664	-
Finance lease liabilities	16,430	17,096	14,657	2,439	-
	3,316,379	3,319,066	3,177,963	141,103	-
Total net undiscounted financial liabilities	(639,802)	(642,489)	(501,386)	(141,103)	-
2017					
Financial assets					
Cash and bank balances	252,392	252,392	252,392	-	-
Trade and other receivables	14,058	14,058	14,058	-	-
	266,450	266,450	266,450	-	-
Financial liabilities					
Trade and other payables	73,201	73,201	73,201	-	-
Total net undiscounted financial assets	193,249	193,249	193,249	-	-

21. Fair values

Cash and cash equivalents, other receivables and other payables

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

Trade receivables and trade payables

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

Finance lease liabilities and bank borrowings

The carrying amounts of finance lease liabilities and bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

22. Financial instruments by category

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

	Group		Company	
	2018 US$	2017 US$	2018 US$	2017 US$
Financial assets at amortised cost				
Cash and bank balances	1,019,646	289,277	925,466	252,392
Trade and other receivables	1,753,878	48,561	1,751,111	14,058
Total financial assets measured at amortised cost	2,773,524	337,838	2,676,577	266,450
Financial liabilities measured at amortised cost				
Trade and other payables	2,603,388	100,482	2,573,676	73,201
Bank borrowings	726,273	-	726,273	-
Finance lease liabilities	16,430	-	16,430	-
Total financial liabilities measured at amortised cost	3,346,091	100,482	3,316,379	73,201

23. Capital management

The primary objective of the Group'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 Group comprises issued share capital and accumulated profits.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group 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 December 2018 and 2017.

24. Qualification by prior year auditor

Basis for qualified opinion

Non-preparation of consolidated financial statements

The Company is a holding company with a subsidiary acquired in 2017 and has not prepared and presented the consolidated financial statements required by FRS 110 – Consolidated Financial Statements, because of concerns over the accuracy and reliability of its subsidiary's financial statements which was prepared in accordance with Chinese Accounting Standards. Consequently, we are unable to carry out procedures necessary to satisfy ourselves as to whether the financial statements of the subsidiaries are appropriate for the purpose of the preparation of the consolidated financial statements for the financial year ended 31 December 2017 according to Financial Reporting Standards in Singapore.

In the light of the above, the investment in a subsidiary has been accounted for on a cost basis and management had prepared the separate financial statements of the Company in accordance with Singapore Financial Reporting Standards relevant to the preparation of separate financial statements.

The annexed detailed income statement does not form part of the audited statutory financial statements and therefore it is not covered by the report of the auditors. It is not necessary to file the detailed income statement with the Registrar of Companies

BR METALS PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 US$	2017 US$
Revenue	34,887,649	7,829,758
Less:		
Costs of sales		
Opening inventories	75,179	202,172
Purchases	32,195,229	6,132,135
Commission	15,714	13,254
Freight and handling cost	218,902	149,386
	32,505,024	6,496,947
Closing inventories	(153,840)	(75,179)
	32,351,184	6,421,768
Gross profit	2,536,465	1,407,990
Add:		
Other income		
Government grants	42,151	46,668
Interest income	74,069	15,388
Finance charge income	10,657	-
Gain on disposal of plant and equipment	3,086	-
Miscellaneous income	221,069	1,714
	351,032	63,770
Less:		
Administrative expenses	911,144	546,947
Distribution and marketing expenses	156,771	33,878
Operating expenses	435,221	355,206
Finance costs	46,758	-
	1,549,894	936,031
Profit before income tax	1,337,603	535,729

BR METALS PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 US$	2017 US$
Administrative expenses		
Administrative fee	122	-
Accounting fee	1,831	7,635
Auditors' remuneration	12,402	9,727
Depreciation of property, plant and equipment	116,125	110,996
Directors' remuneration	119,352	123,000
Foreign working levy	8,984	7,884
Secretarial fee	804	898
Staff salaries, wages, bonus, CPF and SDL	427,713	286,059
Staff expenses - Overseas staff	163,804	-
Staff incentives - Overseas staff	58,376	-
Tax fee	1,631	748
	911,144	546,947
Distribution and marketing expenses		
Advertising fees	16,278	17,007
Entertainment	22,005	10,817
Marketing expenses	106,129	-
Vehicle expenses	10,339	5,231
Website development	2,020	823
	156,771	33,878
Operating expenses		
Bank charges	16,679	9,629
Cambodia office expenses	33,389	69,281
China factory expenses	55,424	-
Cleaning expenses	450	290
Commission expense	29,191	-
Custom fees	1,204	-
Delivery charges	-	4
Disposal of inventory	375	-
Employment expense	1,660	-
Expendable assets	-	283
Foreign exchange loss	-	66,620
Factory supplies	4,802	-
General expenses	23,794	2,207
Hardware & tools	2,507	1,963
Incentives	-	27,236
Insurance	29,941	5,940
IT expenses	832	266
Lab supplies	1,775	-
Labour charges	110	-
License fees	620	468
Medical fee	-	1,452
Miscellaneous expenses	8,999	-
Balance carried forward	211,752	185,639

BR METALS PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 US$	2017 US$
Balance brought forward	211,752	185,639
MOM expenses	-	382
Office supplies	619	1,717
Other expenses	-	7,361
Printing, postage and courier	7,930	4,953
Professional fees	33,693	985
Retainer fee	900	-
Operating lease expenses	65,710	47,404
Repair and maintenance	7,470	2,710
Sample fee	5,123	-
Staff medical	933	-
Staff training	34	3,600
Staff welfare	6,580	11,060
Stamp duty	-	82
Subscription fee	4,147	1,838
Transfer fee	6,248	-
Telecommunication	3,929	3,419
Transportation and travelling	70,304	77,746
Utilities	5,788	4,366
Waste disposal service	4,061	1,944
Total operating expenses	435,221	355,206
Finance costs		
Term loan interest	46,758	-
Total expenses	1,549,894	936,031