INSPIRA IT PRODUCTS SINGAPORE PTE. LTD.
(Incorporated in Singapore - Registration No. 201227224Z)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

31 March 2019

UHY LEE SENG CHAN & CO
Public Accountants and
Chartered Accountants

INSPIRA IT PRODUCTS SINGAPORE PTE. LTD.
(Incorporated in Singapore - Registration No. 201227224Z)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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Inspira IT Products Singapore Pte. Ltd.

Directors' Statement
For the financial year ended 31 March 2019

The directors present their statement to the member together with the audited financial statements of Inspira IT Products Singapore Pte. Ltd. (the "Company") for the financial year ended 31 March 2019.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; 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.

Directors

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

Chetan Prakash Jain
Vishal Prakash Jain
Thio Yong Lam Marc
Tan Que Kim (appointed on 5 May 2020)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50 except as follows:

Name of directors and companies in which interests are held	At beginning of year	At end of year
	No. of ordinary shares	
Chetan Prakash Jain		
Infiway Landmark Projects Pvt. Ltd.	2,500	2,500
Inspira Enterprise India Private Limited	50,000	50,000
Inspira IT Products Pvt. Ltd.	5,000	5,000
Inspira Services Pvt Ltd	100	100
Vishal Prakash Jain		
Infiway Landmark Projects Pvt. Ltd.	2,500	2,500

Share options

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

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

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

Independent auditor

The independent auditor, UHY Lee Seng Chan & Co, has expressed its willingness to accept re-appointment.

On behalf of the directors,

Chetan Prakash Jain
Director

Vishal Prakash Jain
Director

31 AUG 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inspira IT Products Singapore Pte. Ltd. (the Company), which comprise the statement of financial position of the Company as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement set out on pages 1 to 2.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Company's internal control.

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

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

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

We communicate with the 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.

UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
3 1 AUG 2020

Inspira IT Products Singapore Pte. Ltd.

Statement of Financial Position
As at 31 March 2019

	Note	2019 US$	2018 US$
ASSETS			
Current assets			
Cash and cash equivalents	4	119,710	782,495
Trade and other receivables	5	327,544	613,988
Prepayments		4,112	3,780
		451,366	1,400,263
Current assets			
Investment in associate	6	662,584	-
Total assets		1,113,950	1,400,263
LIABILITIES			
Current liabilities			
Trade and other payables	7	36,683	223,740
Income tax payable		8,827	8,827
Total liabilities		45,510	232,567
NET ASSETS		1,068,440	1,167,696
EQUITY			
Share capital	8	82	82
Retained earnings		1,068,358	1,167,614
Total equity		1,068,440	1,167,696

The accompanying notes form an integral part of these financial statements

Inspira IT Products Singapore Pte. Ltd.

Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 31 March 2019

	Note	2019 US$	2018 US$
Revenue	9	355,998	1,372,408
Cost of sales		(306,115)	(1,160,665)
Gross profit		49,883	211,743
Other income	10	377	542
Other operating expenses	11	(153,438)	(78,662)
Share of results of associate	6	3,774	-
(Loss)/Profit before income tax		(99,404)	133,623
Income tax credit/(expense)	12	148	(7,417)
(Loss)/Profit for the year, representing total comprehensive income for the year		(99,256)	126,206

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity
For the financial year ended 31 March 2019

	Share capital US$	Retained earnings US$	Total equity US$
Balance at 1 April 2017	82	1,041,408	1,041,490
Profit for the year, representing total comprehensive income for the year	-	126,206	126,206
Balance at 31 March 2018	82	1,167,614	1,167,696
Loss for the year, representing total comprehensive loss for the year	-	(99,256)	(99,256)
Balance at 31 March 2019	82	1,068,358	1,068,440

The accompanying notes form an integral part of these financial statements

Inspira IT Products Singapore Pte. Ltd.

Statement of Cash Flows
For the financial year ended 31 March 2019

	Note	2019 US$	2018 US$
Cash flows from operating activities			
(Loss)/Profit before income tax		(99,404)	133,623
Adjustments for:			
Interest income		377	(542)
Share of results of associate		(3,774)	-
Currency translation gain		-	(155)
Operating (loss)/profit before working capital changes		(102,801)	132,926
Changes in working capital:			
Trade and other receivables		286,444	(589,289)
Prepayments		(332)	5,080
Trade and other payables		(187,057)	11,147
Cash used in operations		(3,746)	(440,136)
Interest received		(377)	542
Income tax paid		-	(240)
Income tax refunded		148	5,246
Net cash used in operating activities		(3,975)	(434,588)
Cash flows from investing activity			
Investment in associate		(658,810)	-
Net cash used in investing activities		(658,810)	-
Net change in cash and cash equivalents		(662,785)	(434,588)
Cash and cash equivalents at beginning of financial year		782,495	1,217,083
Cash and cash equivalents at end of financial year	4	119,710	782,495

The accompanying notes form an integral part of these financial statements

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

1. Corporate information

The Company, which is incorporated and domiciled in the Republic of Singapore is a wholly-owned subsidiary of Inspira Private Limited, a company incorporated in India.

The registered office and principal place of business of the Company is located at 6001, Beach Road, #14-01, Golden Mile Tower, Singapore 199589.

The principal activities of the Company are those of importers and exporters of information technology ("IT") and telecommunication equipment and hardware and provision of IT consultancy services. There has been no significant change in the nature of this activity during the financial year.

The financial statements for the financial year ended 31 March 2019 were authorised for issue by the Board of Directors on 31 AUG 2020

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention except as disclosed in the accounting policies set out below.

The financial statements are presented in United State dollar ("US$"), which is the functional currency of the Company.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas where estimates and assumptions are significant or critical to the financial statements are disclosed in Note 3.

Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (continued)

2.2 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Investment in debt instruments

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

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

Investment in equity instruments

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

2. Summary of significant accounting policies (continued)

2.2 Financial instruments (continued)

(a) Financial assets (continued)

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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 April 2018:

(a) Financial assets

Initial recognition and measurement

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

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

2. Summary of significant accounting policies (continued)

2.2 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

Investment in debt instruments

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

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

Investment in equity instruments

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

Derecognition

A financial asset is derecognised when 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, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.2 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Such financial liabilities comprise trade and other payables, and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 derecognition 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.

2.3 Impairment of financial assets

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

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

2. Summary of significant accounting policies (continued)

2.3 Impairment of financial assets (continued)

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

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

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

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

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

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

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. Summary of significant accounting policies (continued)

2.3 Impairment of financial assets (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 Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

2.4 Impairment of non-financial assets

The Company's non-financial assets are reviewed for impairment at each reporting date and whenever there is any indication that these assets may be impaired. If any such indication exists or when an annual impairment testing for an asset is required, the recoverable amount of the asset is estimated to determine the amount of the impairment loss (if any).

Recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and the impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset or CGU in prior years. A reversal of impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.5 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

(b) Deferred tax

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

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

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

2.6 Provisions

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

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

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

2. Summary of significant accounting policies (continued)

2.7 Revenue

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

Revenue is recognised when the Company satisfies a performance obligation by transferring service to the customer, which is when the customer obtains control of the 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 when significant risks and rewards of ownership of the goods have been transferred to the customer, which generally coincides with their delivery and acceptance. 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.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

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

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

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which generally coincides with their delivery and acceptance. 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.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

2. Summary of significant accounting policies (continued)

2.8 Cash and cash equivalents

Cash and cash equivalents consist of bank balances.

2.9 Foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

2.10 Share capital

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

3. Significant accounting judgements and estimates

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

3.1 Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management is of the opinion that any instances of application are not expected to have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

<u>Provision for expected credit losses ("ECLs") on trade receivables</u>

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

Provision for expected credit losses ("ECLs") on trade receivables (continued)

The Company uses relevant historical information and loss experience to determine the probability of default of the instruments and incorporates forward looking information, including significant changes in external market indicators which involve significant estimates and judgements.

At the reporting date, management assessed that the ECL for trade receivables is insignificant.

Impairments of investment in associate

The Company follows the guidance of FRS 36 in determining whether an asset is considered impaired. This assessment requires significant estimation and judgment. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and the near-term business outlook of the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The carrying amount of the Company's investments in associate as at the reporting date is disclosed in Note 6 to the financial statements.

4. Cash and cash equivalents

	2019 US$	2018 US$
Cash at bank	119,710	782,495

5. Trade and other receivables

	2019 US$	2018 US$
Trade receivables		
- holding company	2,011	-
- third parties	322,510	610,838
	324,521	610,838
Other receivables		
- deferred expenses	3,023	3,150
	327,544	613,988

5. Trade and other receivables (continued)

Trade receivables are non-interest bearing and are generally on 30 to 60 (2018: 30 to 60) days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

6. Investment in associate

	2019	2018
	US$	US$
Unquoted equity shares, at cost	658,810	-
Share of post-acquisition profit	3,774	-
	662,584	-

Details of the subsidiaries are as follows:

Name of subsidiary	Country of Incorporation/ Place of business	Effective interest held by the Group		Principal activities
		2019	2018	
		%	%	
ITS Planners and Engineers Private Limited	India	22.5	-	Provision of IT consulting services and telecommunication equipment

The summarised financial information of the associate, based on the management accounts and not adjusted for percentage of ownership held by the Company, is as follows:

	2019
	US$
Total assets	865,466
Total liabilities	(314,283)
Profit for the financial year	16,790

7. Trade and other payables

	2019 US$	2018 US$
Trade payables		
- third parties	17,244	218,935
Other payables		
- holding company	2,263	-
- third parties	12,530	-
- accruals	4,646	4,805
	19,439	4,805
	36,683	223,740

Trade payables are non-interest bearing and are generally settled within 90 (2018: 90) days.

8. Share capital

	2019 US$	2018 US$
Issued and fully paid		
100 ordinary shares, with no par value	82	82

The holder of the ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

9. Revenue

	2019 US$	2018 US$
Sale of goods	355,998	1,372,408

The sale of goods are recognised at a point in time.

10. Other income

	2019 US$	2018 US$
Interest income	377	542

11. Other operating expenses

Other operating expenses include:

	2019 US$	2018 US$
Doubtful debts written off	-	25,099
Foreign exchange loss	1,788	478
Insurance	4,596	6,876
Legal and professional fees	72,128	12,397
Warehousing and handling charges	22,729	23,240

12. Income tax (credit)/expense

	2019 US$	2018 US$
Current tax		
- current financial year	-	8,827
- prior financial year	(148)	(1,410)
	(148)	7,417

12. Income tax (credit)/expense (continued)

Reconciliation of effective tax rate

	2019	2018
	US$	US$
(Loss)/Profit before income tax	(103,178)	133,623
Share of results of associate	3,774	-
	(99,404)	133,623
Income tax at statutory rate of 17% (2018 : 17%)	(17,540)	22,716
Adjustments:		
- non-deductible expenses	8,572	-
- income not subject to tax	(64)	-
- income under partial tax exemption scheme	-	(11,682)
- corporate tax rebate	-	(2,207)
- overprovision of current tax in prior financial year	(148)	(1,410)
- deferred tax assets not recognised	9,032	-
	(148)	7,417

Unutilised tax losses

At 31 March 2019, the Company has unabsorbed tax losses of approximately $53,000 available for set-off against future taxable income subject to compliance with the relevant tax legislation and agreement with the tax authority.

The potential tax benefit of approximately $9,100 arising from unutilised tax losses and after deductible temporary differences has not been recognised due to the uncertainty of its recoverability.

13. Related party transaction

Other than disclosed elsewhere in the financial statements, the significant transactions between the Company and related parties on terms agreed between the parties are as follows:

	2019	2018
	US$	US$
With ultimate holding company		
Sale of goods	-	2,011

13. Related party transaction (continued)

Compensation of key management personnel

The directors of the Company did not receive any remuneration from the Company during the previous and current financial years. There are no other key management personnel other than the directors.

14. Categories of financial instruments

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

	2019 US$	2018 US$
Financial assets, at amortised cost	444,231	1,393,333
Financial liabilities, at amortised cost	36,683	223,740

15. Financial risk management

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

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

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

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

(a) Credit risk

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

15. Financial risk management (continued)

(a) Credit risk (continued)

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 to 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

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

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- 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 60 to 90 days past due in making contractual payment.

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

- 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.
- 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

15. Financial risk management (continued)

(a) Credit risk (continued)

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

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is >90 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

Trade receivables (Note 1)

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

15. Financial risk management (continued)

(a) Credit risk (continued)

The Company's credit risk exposure in relation to trade receivables as at 31 March 2019 are set out in the provision matrix as follows:

		←	Past due	→	
	Current	Within 30 days	30 to 60 days	60 to 90 days	Total
	$	$	$	$	$
Expected loss rates	0.00%	0.00%	0.00%	0.00%	
Trade receivables	-	-	123,600	200,921	324,521
Loss allowances	-	-	-	-	-

The Company's credit risk exposure in relation to trade receivables as at 31 March 2019 based on the provision matrix is assessed by the management to be insignificant.

Excessive risk concentration

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

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company finances its working capital requirements through a combination of funds generated from operations. All financial liabilities in 2019 and 2018 are repayable on demand or due within one year from the end of the reporting period and are non-interest bearing.

15. Financial risk management (continued)

(c) Market risk

(i) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of the Company's financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant exposure to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's main exposure to foreign currency risk relates to its cash and cash equivalents and trade and other payables that are denominated in Singapore dollar ("SGD").

	2019 US$	2018 US$
Cash and cash equivalents	35,784	102
Trade and other receivables	3,024	3,150
Trade and other payables	(20,034)	(34,424)
	18,774	(31,172)

<u>Sensitivity analysis</u>

A 5% strengthening of the United States dollar against the Singapore dollar at the reporting period would increase loss (2018 : increase profit) before tax by US$939 (2018 : US$1,559). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 5% weakening of the United States dollar against the relevant foreign currencies would have equal but opposite impact to the amounts shown above, on the basis that all other variable remain constant.

16. Capital risk management policies and objectives

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

The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.

No changes were made to the objectives, policies or processes during the financial years ended 31 March 2019 and 31 March 2018.

17. Fair value of assets and liabilities

Assets and liabilities not measured at fair value

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 holding, related companies and related parties) approximate their fair values as they are subject to normal trade credit terms.

18. Subsequent event

The coronavirus (Covid-19) outbreak subsequent to the reporting date is expected to impact the operations and trading results of the Company. As the situation relating to the spread remains uncertain, it is currently not possible to ascertain the financial impact it may have on the financial performance of the Company in 2020.

19. Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to Reference to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material Compensation	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.