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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MRF SG PTE. LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of MRF SG PTE. LTD., which comprise the statement of financial position as at 31st March 2016, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility 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 Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MRF SG PTE. LTD.
(CONT'D)**

Report on the Financial Statements (Cont'd)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31st March 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

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.

K.C. CHAN & CO PAC
Public Accountants and Chartered Accountants

Singapore : 27 APR 2016

MRF SG PTE. LTD.
 (Company Registration No.: 201421655R)
 Statement of Profit or Loss
 For the financial year ended 31st March 2016

	Note	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Turnover	11	172,101,008	24,298,725
Other income	12	211	-
		<u>172,101,219</u>	<u>24,298,725</u>
Purchase of traded goods		(162,095,162)	(22,549,174)
Employee benefits expenses	13	(157,213)	(76,444)
Depreciation	2	(1,402)	(743)
Finance costs	14	(785,045)	(57,509)
Other expenses	15	<u>(4,645,473)</u>	<u>(1,021,204)</u>
Profit before tax		4,416,924	593,651
Income tax expense	16	<u>(718,106)</u>	<u>(61,659)</u>
Profit, net of tax		<u>3,698,818</u>	<u>531,992</u>

The notes on pages 11 to 33 form an integral part of these financial statements

MRF SG PTE. LTD.
(Company Registration No.: 201421655R)
Statement of Comprehensive Income
For the financial year ended 31st March 2016

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Profit, net of tax	<u>3,698,818</u>	<u>531,992</u>
Total comprehensive income for the year, net of tax	<u>3,698,818</u>	<u>531,992</u>

The notes on pages 11 to 33 form an integral part of these financial statements

MRF SG PTE. LTD.
(Company Registration No.: 201421655R)
Statement of Financial Position
As at 31st March 2016

	Note	2016 US\$	2015 US\$
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	2	5,019	5,981
Sundry Deposit		19,092	19,092
Total Non-Current Assets		24,111	25,073
<u>Current Assets</u>			
Trade Receivable	3	62,428,330	24,171,140
Other Receivable	4	1,496,265	773,084
Cash and Cash Equivalents	5	4,135,358	778,545
Total Current Assets		68,059,953	25,722,769
Total Assets		68,084,064	25,747,842
EQUITY AND LIABILITIES			
<u>Equity</u>			
Share Capital	6	1,008,005	1,008,005
Retained Earnings		4,230,810	531,992
Total Equity		5,238,815	1,539,997
<u>Current Liabilities</u>			
Other Payable and Accruals	7	177,456	41,283
Amounts Owing to Bankers	8	59,873,032	23,316,766
Derivative	9	2,014,996	788,137
Provision for Taxation	10	779,765	61,659
Total Current Liabilities		62,845,249	24,207,845
Total Liabilities		62,845,249	24,207,845
Total Equity and Liabilities		68,084,064	25,747,842

The notes on pages 11 to 33 form an integral part of these financial statements

MRF SG PTE. LTD.
 (Company Registration No.: 201421655R)
 Statement of Changes in Equity
 For the financial year ended 31st March 2016

	Share Capital US\$	Retained Earnings US\$	Total Equity US\$
Balance as at 01.04.2015	1,008,005	531,992	1,539,997
Profit, net of tax	-	3,698,818	3,698,818
Total comprehensive income for the year, net of tax	-	3,698,818	3,698,818
Balance as at 31.03.2016	1,008,005	4,230,810	5,238,815
	Share Capital US\$	Retained Earnings US\$	Total Equity US\$
Shares allotted as of 23.07.2014 (date of incorporation)	8,005	-	8,005
Issue of share capital	1,000,000	-	1,000,000
Profit, net of tax	-	531,992	531,992
Total comprehensive income for the period, net of tax	-	531,992	531,992
Balance as at 31.03.2015	1,008,005	531,992	1,539,997

The notes on pages 11 to 33 form an integral part of these financial statements

MRF SG PTE. LTD.
(Company Registration Number: 201421655R)
Statement of Cash Flows
For the financial year ended 31st March 2016

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit, net of tax	3,698,818	531,992
Adjustments for:		
Depreciation	1,402	743
Loss on foreign exchange	1,633,821	919,945
Income tax expense	718,106	61,659
Interest expenses	584,594	27,476
Operating profit before working capital changes	<u>6,636,741</u>	<u>1,541,815</u>
Increase in receivables	(39,386,077)	(25,090,901)
Increase in payables	6,222	13,807
Net cash used in operating activities	<u>(32,743,114)</u>	<u>(23,535,279)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(440)</u>	<u>(6,724)</u>
Cash used in investing activity	<u>(440)</u>	<u>(6,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issued share capital	-	1,008,005
Proceeds from loan	162,823,835	23,316,766
Repayment of loan	(126,267,569)	-
Interest paid	(454,643)	-
Net cash generated from financing activities	<u>36,101,623</u>	<u>24,324,771</u>
Net increase in cash and cash equivalents	3,358,069	782,768
Cash and cash equivalents at beginning of year (Note 5)	778,545	-
Effect of exchange rate in cash and cash equivalents	(1,256)	(4,223)
Cash and cash equivalents at end of year (Note 5)	<u>4,135,358</u>	<u>778,545</u>

The notes on pages 11 to 33 form an integral part of these financial statements

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

1. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, unless otherwise stated.

Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous year except in the current financial year, the Company has adopted all the new and revised standards and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:-

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 114: Regulatory Deferral Accounts	1 Jan 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
Amendments to FRS 16 and FRS 38: Classification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 Jan 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
FRS 115: Revenue from Contracts with Customers	1 Jan 2018
Amendment to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	To be determined
Improvements to FRSs (November 2014)	
(a) Amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 Jan 2016
(b) Amendments to FRS 107 Financial Instruments: Disclosures	1 Jan 2016
(c) Amendment to FRS 19 Employee Benefits	1 Jan 2016
(d) Amendment to FRS 34 Interim Financial Reporting	1 Jan 2016
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
Amendments to FRS 110, FRS 112 & FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial applications.

1. Significant Accounting Policies (Cont'd)

(b) Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share option, if any are recognised as deduction from equity, net of any tax effects.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost or revaluation, if any, less accumulated depreciation and accumulated impairment losses. Valuation is performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the property, plant and equipment at the statement of financial position date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the assets. The whole of the revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follow:

Office equipments	5 years
Computers and printers	5 years

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

The residual value, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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 the statement of profit or loss in the year the asset is derecognised.

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

1. Significant Accounting Policies (Cont'd)

(e) Financial Instruments

(i) *Financial Assets*

(i) **Initial Recognition and Measurement**

Financial assets are recognised on the statement of financial position date 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 fair value through profit or loss, directly attributable transaction costs.

(ii) **Subsequent Measurement**

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

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.

1. **Significant Accounting Policies (Cont'd)**

(e) **Financial Instruments (Cont'd)**

(i) *Financial Assets (Cont'd)*

(iii) **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 is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(iv) **Impairment**

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

Financial Assets Carried At Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually 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 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.

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

To determine whether there is objective evidence that an impairment loss on financial assets has 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.

1. **Significant Accounting Policies (Cont'd)**

(e) **Financial Instruments (Cont'd)**

(i) **Financial Assets (Cont'd)**

(iv) **Impairment (Cont'd)**

Financial Assets Carried At Amortised Cost (Cont'd)

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.

Financial Assets Carried At Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(ii) **Financial Liabilities**

(i) **Initial Recognition and Measurement**

Financial liabilities are recognised on the statement of financial position date 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 and in the case of other financial liabilities, plus directly attributable transaction costs.

(ii) **Subsequent Measurement**

The measurement of financial liabilities depends on their classification as follow:

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

1. **Significant Accounting Policies (Cont'd)**

(e) **Financial Instruments (Cont'd)**

(ii) *Financial Liabilities (Cont'd)*

(iii) **Derecognition**

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 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.

(iii) *Offsetting of Financial Instruments*

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

(f) **Borrowing Costs**

Borrowing costs incurred for the purpose of working capital loans and are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(g) **Provision for Other Liabilities and Charges**

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

Provisions are reviewed at each statement of financial position date 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.

(h) **Income Taxes**

(i) **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Current 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.

1. Significant Accounting Policies (Cont'd)

(h) Income Taxes (Cont'd)

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 statement of financial position date.

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

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

1. Significant Accounting Policies (Cont'd)

(h) Income Taxes (Cont'd)

(iii) Sales tax

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

- Where the sales tax incurred in 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.

(i) Contingencies

A contingent liability is:-

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

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

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

(j) Revenue Recognition

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 the amount of any discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Sales 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. 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.

1. Significant Accounting Policies (Cont'd)

(k) Functional and Foreign Currency

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlements of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Currency translation differences on non-monetary items (if any) when the gain or loss is recognised in the statement of profit or loss, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items (if any) such as equity investments classified as available-for-sale financial assets is recognised initially in other comprehensive income and accumulated under fair value reserve within equity.

(l) Employee Benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date, if any.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions to separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to defined contribution plans are recognised in the financial year to which they relate.

(m) Impairment of Non-Financial Assets

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

1. Significant Accounting Policies (Cont'd)

(m) Impairment of Non-Financial Assets (Cont'd)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the assets does not generate cash inflows that are largely independent of those from other assets or Company 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, 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.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. 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.

(n) Related Parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person :
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) 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:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to others);
 - (ii) 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);
 - (iii) Both entities are joint venture of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) 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 itself has such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identifies in (a);
 - (vii) 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).

1. Significant Accounting Policies (Cont'd)

(o) Leases

The Company leases office under operating lease from third party.

When the Company is Lessee of an Operating Lease

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

(p) Derivative financial instruments, including hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Company formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 -125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are re-measured at their fair value at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the profit or loss, unless they qualify for hedging accounting.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated in a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

1. **Significant Accounting Policies (Cont'd)**

(q) **Grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2. **Property, Plant and Equipment**

	Office equipments US\$	Computers and printers US\$	Total US\$
Cost			
At 23.07.2014 (Date of Incorporation)	-	-	-
Additions	1,231	5,493	6,724
Disposals	-	-	-
At 31.03.2015 and 01.04.2015	1,231	5,493	6,724
Additions	440	-	440
Disposals	-	-	-
At 31.03.2016	1,671	5,493	7,164
Accumulated Depreciation			
At 23.07.2014 (Date of Incorporation)	-	-	-
Charge for the period	103	640	743
Disposals	-	-	-
At 31.03.2015 and 01.04.2015	103	640	743
Charge for the year	304	1,098	1,402
Disposals	-	-	-
At 31.03.2016	407	1,738	2,145
Net Book Value			
At 31.03.2015	1,128	4,853	5,981
At 31.03.2016	1,264	3,755	5,019

3. **Trade Receivable**

	2016 US\$	2015 US\$
Holding company	62,428,330	24,171,140

The average credit period on sales of goods is 6 months. No interest is charged on the outstanding trade receivable.

4. Other Receivable

	2016 US\$	2015 US\$
Advances paid to suppliers	1,496,265	767,592
Advances given to staff	-	5,492
	<u>1,496,265</u>	<u>773,084</u>

5. Cash and Cash Equivalents

	2016 US\$	2015 US\$
Cash on hand	-	571
Cash at banks	4,135,358	777,974
	<u>4,135,358</u>	<u>778,545</u>

Cash at bank earns no interest.

6. Share Capital

	2016	2015
Number of ordinary shares	<u>1,273,200</u>	<u>1,273,200</u>
	US\$	US\$
Amount	<u>1,008,005</u>	<u>1,008,005</u>

All issued ordinary share are fully paid. There is no par value for the ordinary shares.

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 restriction.

7. Other Payable and Accruals

	2016 US\$	2015 US\$
Other payable	-	1,040
Accruals		
- Audit and tax fees	19,257	10,897
- CPF	-	1,347
- Interest	157,427	27,476
- Others	772	523
	<u>177,456</u>	<u>41,283</u>

No interest is charged on other payable.

8. Amounts Owing to Bankers

	2016 US\$	2015 US\$
Loan from The Bank of Tokyo-Mitsubishi UFJ, Ltd ("BOTM")	12,907,550	4,566,542
Loan from Citibank N.A., Singapore Branch ("Citibank")	11,183,371	18,750,224
Loan from DBS Bank Ltd ("DBS")	35,782,111	-
	<u>59,873,032</u>	<u>23,316,766</u>

Loans from BOTM, Citibank and DBS are backed by way of letter of comfort from holding company, namely MRF Limited. The loans are repayable in full within 3 to 7 months from the drawdown date.

Interest for loan from BOTM is chargeable at 0.40% per annum (2015: 0.40%) above the ICE USD LIBOR. During the financial year, interest charged at approximate 0.67% - 1.28% per annum (2015: 0.75% - 0.81%).

Interest for loan from Citibank is chargeable at 0.30% per annum (2015: 0.40%) above the ICE USD LIBOR. During the financial year, interest charged at approximate 0.64% - 1.23% per annum (2015: 0.64% - 0.82%).

Interest for loan from DBS is chargeable at 0.30% per annum above the ICE USD LIBOR. During the financial year, interest charged at approximate 0.55% - 1.33% per annum (2015: Nil).

9. Derivative

	2016		2015	
	Contract Amount US\$	Liabilities US\$	Contract Amount US\$	Liabilities US\$
Forward currency contracts	<u>78,176,208</u>	<u>2,014,996</u>	<u>72,369,393</u>	<u>788,137</u>

Forward currency contracts are used to hedge foreign currency risk arising from the Company's sales denominated in Indian Rupee ("INR") for which firm commitments existed at the end of the reporting period.

10. Provision for Taxation

	2016 US\$	2015 US\$
Balance at beginning of the financial year	61,659	-
Transfer to the statement of profit or loss - Based on result of current financial year (Note 16)	<u>718,106</u>	<u>61,659</u>
Balance at end of the financial year	<u>779,765</u>	<u>61,659</u>

11. Turnover

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Sales of goods	<u>172,101,008</u>	<u>24,298,725</u>

12. Other Income

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Government grants	<u>211</u>	<u>-</u>

13. Employee Benefits Expenses	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
CPF and other contributions	10,686	4,680
Staff salaries and allowances	144,350	68,905
Staff welfare	2,177	2,859
	<u>157,213</u>	<u>76,444</u>
14. Finance Costs	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Loan interest	584,594	27,476
Bank charges	200,451	30,033
	<u>785,045</u>	<u>57,509</u>
15. Other Expenses	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
This is determined after charging the following:-		
Directors' fee	12,597	-
Loss on foreign exchange	4,504,984	921,092
Rental	68,884	42,853
Miscellaneous expenses	59,008	57,259
	<u>4,645,473</u>	<u>1,021,204</u>
16. Income Tax Expense	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Tax expense attributable to profit is made up of:-		
- Based on result of current financial year (Note 10)	<u>718,106</u>	<u>61,659</u>

16. Income Tax Expense (Cont'd)

The income tax expense on the results for the financial period varies from the amount of income tax determines by applying the Singapore standard rate of income tax to profit before taxation due to the following factors: -

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Profit before tax for the financial year	<u>4,416,924</u>	<u>593,651</u>
Income tax expense on profit before tax for the financial year, at 17% (2015: 17%)	750,877	100,921
Adjustments:		
Tax effect on non-deductible expenses	174	349
Tax effect on change in temporary differences	164	(4,446)
Tax effect on exempt amount	(18,690)	(19,851)
Tax effect on tax rebate	(14,419)	(15,314)
Tax expense per statement of profit or loss	<u>718,106</u>	<u>61,659</u>

17. Operating Lease Commitments

As at statement of financial position date, the Company leases office under lease agreement that is non-cancellable. Future minimum lease payments payable under non-cancellable operating leases as at 31st March are as follow:-

	2016 US\$	2015 US\$
Payable:		
- Within one year	29,382	69,416
- Within two to five years	-	28,923
	<u>29,382</u>	<u>98,339</u>

18. (a) Related Parties Transactions

During the financial year, the Company had significant transaction with its related party which was carried out on terms agreed between the parties concerned not disclosed elsewhere in the financial statements as follow:-

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Sales to holding company	<u>172,101,008</u>	<u>24,298,725</u>

18. (b) Key Management Compensation

Key management's remuneration includes salaries and other emoluments computed based on the cost incurred by the Company and where the Company did not incur any costs, the value of the benefits is included. The key management's remuneration included in staff costs is as follow:-

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
Directors' fee	12,597	-

The above staffs' costs include key management personnel. These key management personnel is holding managerial position and above.

19. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, capital risk and market risk (pertaining to price risk, interest rate risk and currency risk). The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(i) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company ensures that sales of products to customers with appropriate credit history and have internal mechanisms to monitor the granting of credit and management of credit exposures. The Company makes appropriate provisions for potential losses on credits extended, as applicable. The Company's maximum exposure to credit risk in the event the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amounts of each class of financial assets recognised in the statement of financial position.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of Company's customers to make payments when due.

The age analysis of receivables is as follow:-

	2016 US\$	2015 US\$
Less than 31 days	5,034,367	5,468,080
31 – 60 days	8,718,440	8,701,989
61 – 90 days	12,435,098	6,392,853
91 – 180 days	36,240,425	3,608,218
	62,428,330	24,171,140

19. Financial Risk Management (Cont'd)

(ii) Liquidity Risk

The Company monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Such liquidity risks are minimised by the amount of cash and bank balances of US\$4,135,358 (2015: US\$778,545) as at 31st March 2016.

(iii) Capital Risk

The Company's objectives when managing capital are:

- (a) To safeguard the Company's ability to continue as a going concern;
- (b) To support the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder return, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

	2016 US\$	2015 US\$
Other payable	-	1,040
Amounts owing to bankers	59,873,032	23,316,766
Derivative	2,014,996	788,137
Cash and cash equivalents (Note 5)	(4,135,358)	(778,545)
	<u>57,752,670</u>	<u>23,327,398</u>
 Total equity	 <u>5,238,815</u>	 <u>1,539,997</u>
 Gearing	 <u>11.02</u>	 <u>15.15</u>

(iv) Market Risk

(a) Price risk

The Company has no exposure to equity price risk as it does not hold equity financial assets that are exposed to price risk.

19. Financial Risk Management (Cont'd)

(iv) Market Risk (Cont'd)

(b) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Company's financial conditions and / or results. The primary source of the Company's interest rate risk is its borrowing from financial institutions in Singapore. The Company ensures that it obtains borrowings at competitive interest rates.

The following table sets out the carrying amount, of the Company's financial instruments, that are exposed to interest rate risk:

	2016 US\$	2015 US\$
<u>Floating Rates</u>		
Amounts owing to bankers	<u>59,873,032</u>	<u>23,316,766</u>

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risks.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 1% higher / lower and all other variables were held constant, the Company's profit for the year ended 31st March 2016 would decrease / increase by an average of US\$677,261 (2015: US\$174,876). This is attributable to the Company's exposure to interest rates on its variable rates on the average outstanding amounts owing to bankers over 12 months.

(c) Foreign currency risk

The Company is exposed to currency risk on sales that are denominated in a currency other than the functional currency of the Company. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD), United States dollar (USD) and Indian Rupee (INR).

At any point in time, the Company hedges 100% of all trade receivables denominated in a foreign currency. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts generally are designated as fair value hedges.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

19. Financial Risk Management (Cont'd)

(iv) Market Risk (Cont'd)

(c) Foreign currency risk (Cont'd)

The summary of quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Denominated in:	INR	SGD
US\$ equivalents	US\$	US\$
<u>Year 2016</u>		
Trade receivable	62,428,330	-
Sundry deposit	-	19,092
Cash and cash equivalents	-	8,208
Other payable and accruals	-	(20,029)
	62,428,330	7,271
Forward currency contracts	(60,694,756)	-
Net exposure	1,733,574	7,271

Denominated in:	INR	SGD
US\$ equivalents	US\$	US\$
<u>Year 2015</u>		
Trade receivable	24,171,140	-
Sundry deposit	-	19,092
Cash and cash equivalents	-	17,883
Other payable and accruals	-	(13,517)
	24,171,140	23,458
Forward currency contracts	(23,317,453)	-
Net exposure	853,687	23,458

Sensitivity Analysis

It is estimated that a ten percentage point strengthening in foreign currency against the United States Dollar would decrease the Company's profit before tax and revenue reserves by US\$174,085 (2015: US\$87,715). A ten percentage point weakening in foreign currency against the United States Dollar would have an equal but opposite effect. The analysis assumed that all other variables, in particular interest risk, remain constant.

20. Fair Value of Financial Assets and Financial Liabilities

(i) *Fair value hierarchy*

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(ii) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Liabilities measured at fair value				
- Financial liabilities				
<u>Derivatives</u>				
Forward currency contracts		2,014,996		2,014,996

20. Fair Value of Financial Assets and Financial Liabilities (Cont'd)

(ii) *Assets and liabilities measured at fair value (Cont'd)*

	Fair value measurements at the end of the reporting period using			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Liabilities measured at fair value				
- Financial liabilities				
<u>Derivatives</u>				
Forward currency contracts		788,137		788,137

(iii) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for liability that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Forward currency contracts are valued based on the information provided by the bankers.

(iv) *Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of trade and other receivables, sundry deposits, cash & cash equivalents, other payable and accruals, amounts owing to bankers are reasonable approximation of their fair value due to relatively short-term maturity of these assets and liabilities.

21. Critical Accounting Estimates, Assumptions and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) **Uncertain Tax Positions**

Significant judgment is involved in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Company's income tax liabilities at 31st March 2016 was US\$779,765 (2015: US\$61,659).

21. Critical Accounting Estimates, Assumptions and Judgments (Cont'd)

(ii) Impairment of Loans and Receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the receivable, the probability that the receivable will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgment as to whether there is observable data indicating that there has been a significant change in the payment ability of the receivable, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the receivable operates.

Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recorded in the statement of profit or loss. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

Allowances for impairment loss and bad debts are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment loss and bad debts requires the use of judgments and estimates. Where expectation is different from original estimate, such difference will impact the carrying value of trade and other receivables and impairment loss expenses in the period in which such estimate have been changed. As at 31st March 2016, no allowances for impairment loss and bad debts based on an assessment of the recoverability of trade and other receivables are being recognised.

22. Comparative Figures

The comparative figures of the financial statements were in respect of financial period from 23rd July 2014 (date of incorporation) to 31st March 2015.

23. Holding Company

The immediate and ultimate holding company is MRF Limited, a company incorporated in India.

24. General

The Company is incorporated in the Republic of Singapore with its registered office and principal office of business situated at 11 Collyer Quay, #10-15 The Arcade, Singapore 049317.

The principal activities of the Company are those of sourcing and supplying of materials.

There have been no significant changes in the nature of these activities during the financial year.

25. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MRF SG PTE. LTD. on 27 APR 2016

MRF SG PTE. LTD.
(Company Registration No.: 201421655R)
Detailed Statement of Profit or Loss
For the financial year ended 31st March 2016

	01.04.2015 to 31.03.2016 US\$	23.07.2014 to 31.03.2015 US\$
TURNOVER	172,101,008	24,298,725
OTHER INCOME	211	-
	172,101,219	24,298,725
LESS: EXPENSES		
Purchase of traded goods	162,095,162	22,549,174
Employee benefits expenses		
CPF and other contributions	10,686	4,680
Staff salaries and allowances	144,350	68,905
Staff welfare	2,177	2,859
	157,213	76,444
Depreciation	1,402	743
Finance costs		
Loan interest	584,594	27,476
Bank charges	200,451	30,033
	785,045	57,509
Other expenses		
Auditor remuneration	17,380	9,445
Directors' fee	12,597	-
Insurance	2,732	2,309
Loss on foreign exchange	4,504,984	921,092
Miscellaneous expenses	16,389	21,573
Postage & courier	4,722	644
Printing & stationery	13	980
Rental	68,884	42,853
Repair & maintenance	-	96
Stamp & registration fees	-	620
Tax fees	748	1,453
Telecommunication	4,392	4,431
Travelling expenses	12,632	15,708
	4,645,473	1,021,204
PROFIT BEFORE TAX	4,416,924	593,651

This statement does not form part of the audited statutory financial statements of the Company