SIMPLEX CASTINGS INTERNATIONAL PTE LTD
(Company Registration No: 201831377M)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 12 SEPTEMBER 2018 (DATE OF INCORPORATION)
TO 31 MARCH 2019

CONTENTS

	Page
Corporate Data	1
Directors' Statement	2 - 3
Independent Auditors' Report	4 - 5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 22

SIMPLEX CASTINGS INTERNATIONAL PTE LTD
(Company Registration No: 201831377M)

CORPORATE DATA

Directors	:	Jasbir Kaur Sangeeta Ketan Shah
Secretary	:	Jasbir Kaur
Registered Office	:	20 Cecil Street #08-01 Plus Singapore 049705
Auditors	:	TT Assurance PAC
Banker	:	Standard Chartered Bank (Singapore) Limited

SIMPLEX CASTINGS INTERNATIONAL PTE LTD
(Company Registration No: 201831377M)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Simplex Castings International Pte Ltd (the "Company") for the financial period from 12 September 2018 (Date of Incorporation) to 31 March 2019.

1. Opinion of the Directors

In the opinion of the directors,

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

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Jasbir Kaur (Appointed on 12/09/2018)
Sangeeta Ketan Shah (Appointed on 12/09/2018)

3. Arrangements to Enable Directors to Acquire Shares or Debentures

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

4. Directors' Interest in Shares or Debentures

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

	Deemed Interest	
	Number of ordinary shares	
Name of director	Shares held at Date of Incorporation	Shares held at March 31, 2019
Sangeeta Ketan Shah (Appointed on 12/09/2018)	70	100

5. **Shares Options**

There were no share options granted by the Company during the financial period.

There were no shares issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

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

6. **Auditors**

The auditors, TT Assurance PAC, have indicated their willingness to accept re-appointment.

On Behalf of The Board of Directors

JK

....

Jasbir Kaur
Director

....

Sangeeta Ketan Shah
Director

Singapore : 08 AUG 2019

Independent Auditors' Report

For the financial period ended 31 March 2019

To the members of SIMPLEX CASTINGS INTERNATIONAL PTE LTD

(Company Registration No: 201831377M)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Simplex Castings International Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, 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 period 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 period ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and Corporate Data but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

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

Responsibility of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory 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.

TT Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

Date : 08 AUG 2019

37, Kallang Pudding Road, #03-01, Tong Lee Building, Blk B, Singapore 349315
Tel: 6744 0096, 6744 0163 | Fax: 6744 0565
Email: kentanco@singnet.com.sg | Website: www.tt-assurance.com

SIMPLEX CASTINGS INTERNATIONAL PTE LTD

(Company Registration No: 201831377M)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	US$
ASSETS		
CURRENT ASSETS		
Trade receivables	4	2,475,013
Due from holding company	5	2,825
Cash & cash equivalents	6	8,768
Total Assets		**2,486,606**
EQUITY AND LIABILITIES		
Capital And Reserves		
Share Capital	3	7,407
Accumulated Losses		(13,630)
		(6,223)
CURRENT LIABILITIES		
Trade & other payables	7	2,492,829
Total Equity and Liabilities		**2,486,606**

The annexed notes form an integral part of and should be read in conjunction with these accounts.

SIMPLEX CASTINGS INTERNATIONAL PTE LTD
(Company Registration No: 201831377M)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 12 SEPTEMBER 2018 (DATE OF INCORPORATION) TO 31 MARCH 2019

	Note	US$
REVENUE	8	**4,475,013**
COSTS AND EXPENSES		
Purchases		4,459,867
Other operating expenses	9	28,776
TOTAL COSTS AND EXPENSES		**4,488,643**
Loss before Taxation		**(13,630)**
Less: Taxation	10	-
Loss after Taxation		**(13,630)**
Other comprehensive income		-
Total comprehensive loss for the period		**(13,630)**

The annexed notes form an integral part of and should be read in conjunction with these accounts.

SIMPLEX CASTINGS INTERNATIONAL PTE LTD
(Company Registration No: 201831377M)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 12 SEPTEMBER 2018 (DATE OF INCORPORATION) TO 31 MARCH 2019

	Share Capital US$	Accumulated Losses US$	Total US$
At Date of Incorporation	7,407	-	7,407
Total comprehensive loss for the period	-	(13,630)	(13,630)
At 31 March 2019	7,407	(13,630)	(6,223)

The annexed notes form an integral part of and should be read in conjunction with these accounts.

SIMPLEX CASTINGS INTERNATIONAL PTE LTD

(Company Registration No: 201831377M)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 12 SEPTEMBER 2018 (DATE OF INCORPORATION) TO 31 MARCH 2019

	Note	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation		**(13,630)**
Operating Loss Before Working Capital Changes		**(13,630)**
Changes in Working Capital:-		
Trade & other receivables		(2,475,013)
Trade & other payables		2,492,829
Net Cash Generated From Operating Activities		**4,186**
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to holding company		(2,825)
Net Cash Flows Used In Investing Activities		**(2,825)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		7,407
Net Cash Flows Generated From Financing Activities		**7,407**
Net Increase in Cash & Cash Equivalents		**8,768**
Cash & cash equivalents at beginning of period		-
Cash & Cash Equivalents At End Of Period	6	**8,768**

The annexed notes form an integral part of and should be read in conjunction with these accounts.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2019

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

1) **Corporate Information**

The Company is a private company limited by shares, and incorporated and domiciled in Singapore with its principal place of business and registered office at 20 Cecil Street #08-01 Plus Singapore 049705.

The financial statements for the financial period ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on 08 AUG 2019

The principal activities of the Company consist of the business of general wholesaler trade including general import & export. There have been no significant changes in the nature of these activities during the financial period.

The company is an immediate subsidiary of Simplex Castings Limited, a company incorporated in India, which is also its ultimate holding company.

2) **Significant Accounting Policies**

a) Basis of Preparation

The financial statements of the Company have been drawn up in accordance with provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards ("FRS") in Singapore. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US$), which is the Company's functional currency. All financial information presented in United States Dollars has been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year except for the adoption of new/revised FRS discussed below.

Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS requires the use of judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period; or in the period of the revision and future periods, if the revision affects both the current and future periods.

Key Sources of Estimation Uncertainty

(i) *Provision for Expected Credit Losses of Trade Receivables*
The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or product or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Company uses its historical credit loss experience with forward looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables and contract assets. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's loan and receivables are disclosed in Note 4 to the financial statements.

No loss allowance for trade debts has been recognised during the financial period ended 31 March 2019.

Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

The Company's credit risk exposure for loan receivables are set out in Note 11(ii) to the financial statements.

(ii) *Income Tax*
The Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Judgement Made In Applying Accounting Policies

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

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

b) Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and effective for the current financial year. The adoption of these standards did not have any material effect on the financial statements except as disclosed below:-

FRS 109 Financial Instruments

FRS 109 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Company adopted FRS 109 from date of incorporation.

Changes in accounting policies resulting from the adoption of FRS 109 have been generally applied by the Company retrospectively, except as described below:

- The following assessments were made on the basis of facts and circumstances that existed at date of incorporation.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for trading as at fair value through other comprehensive income ("FVOCI"); and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss ("FVPL").
- If a debt investment has low credit risk at date of incorporation, the Company had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of FRS 109 has not had a significant effect on the Company's accounting policies for financial assets and financial liabilities.

(i) Classification of Financial Assets and Financial Liabilities
The following are the qualitative information regarding the reclassification between categories of financial instruments at the date of initial application of FRS 109.

Under FRS 109, financial assets are classified in the following categories: measured at amortised cost, FVOCI or FVPL. The classification of financial assets under FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under FRS 109, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The adoption of FRS 109 did not have a significant effect on the Company's accounting policy for financial assets and liabilities.

(ii) *Impairment of Financial Assets*
FRS 109 replaces the "incurred loss" model in FRS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, debt investments at FVOCI and financial guarantee contracts, but not to equity investments.

The application of FRS 109 impairment requirements at date of incorporation did not have significant impact on the financial performance and financial position of the Company. Additional information about how the Company measures the allowance for impairment is described in Note 11(ii) to the financial statements.

<u>FRS 115 Revenue from Contracts with Customers</u>

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company is in a business of general wholesaler trade including general import & export. The adoption of FRS 115 did not have impact on the Company's financial performance.

c) Standards Issued But Not Yet Effective

As at the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments have been issued but not yet effective.

Description	**Effective for annual periods beginning on or after**
Annual Improvements to FRSs (March 2018)	1 Jan 2019
FRS 116 *Leases*	1 Jan 2019
Amendments to FRS 109 *Financial Instruments: Prepayment Features with Negative Compensation*	1 Jan 2019
Amendments to FRS 19 *Employee Benefits: Plan Amendment, Curtailment or Settlement*	1 Jan 2019
Amendments to FRS 28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*	1 Jan 2019
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 Jan 2019
FRS 117 *Insurance Contracts*	1 Jan 2021

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

d) Income Taxes

Income tax expense comprises current and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:-

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position date; and

(ii) based on the tax consequences that will follow from the manner in which the Company expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred tax income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

e) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

g) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer:-

Revenue from sale of goods in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods. The individual standalone selling price of a good that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Company's revenue arising from the sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms/shipping terms are considered).

h) Foreign Currency Transactions and Balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

i) 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 group and company of 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 group or 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 the others);
   ii) One entity is an associate or joint venture of the other entity (or an associates or joint venture of a member of a company which the other entity is a member).
   iii) Both entities are joint ventures of the same third party.
   iv) One entity is a joint venture of a third party and the other entity is an associate of the third party 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. It the Company it itself such a plan, the sponsoring employers are also related to the Company.
   vi) The entity is controlled or jointly controlled by a person identified 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).
   viii) The entity, or any member of the group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
   ix) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

j) Financial Assets

Classification and Measurement

The Company classifies its financial assets as those to be measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Initial Recognition
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.

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

Financial assets measured at amortised costs are presented as "cash and cash equivalents," "trade receivables" and "other current receivables (excluding GST receivables and prepayments)" on the statement of financial position.

Subsequent Measurement
Debt instruments mainly comprise of cash and cash equivalents, trade receivables and other current receivables (excluding GST receivables and prepayments). Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Financial Assets Measured at Amortised Cost
Assets that are held for 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. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in the statement of profit or loss.

Interest income is recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Impairment

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

- 12-month expected credit losses ("ECLs") – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified Approach – Trade Receivables
The Company applies the simplified approach to provide ECLs for all trade receivables, as permitted by FRS 109, which require expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider (e.g. the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

Write-off Policy
The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Recognition and Derecognition

Financial assets are recognised when, and only when the Company becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

k) Financial Liabilities

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

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

Subsequent Measurement
After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 as 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.

l) Financial Instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivables & payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

It is the Company's policy not to trade in derivative financial instruments. Details of the Company's financial risk management are set out in Note 11.

3) **Share Capital**

	Number of Shares	US$
Ordinary shares of no par value:-		
Issued and fully paid	100,000	7,407

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.

4) **Trade Receivables**

The carrying amounts of trade receivables are denominated in United States Dollar.

Trade receivables are non-interest bearing and are generally on 15 to 45 days' terms.

The age analysis of trade receivables as at current reporting date is as follow:-

	US$
Current	2,475,013

5) **Due from Holding Company**

The amount due from holding company for the period is unsecured, interest free, non trade and repayable on demand.

6) **Cash & Cash Equivalents**

Cash & cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:-

	US$
Cash & bank balances	8,768

Cash & cash equivalents are denominated in the following currencies:-

	US$
Singapore dollar	3,618
US dollar	5,150
	8,768

7) **Trade & Other Payables**

	US$
Trade payables	1,839,867
Other payables	27,962
Advance from customer	625,000
	2,492,829

Trade & other payables are denominated in the following currencies:-

	US$
Singapore dollar	27,962
US dollar	2,464,867
	2,492,829

Trade payables are non-interest bearing and are normally settled on 15 to 45 days' terms.

8) **Revenue**

A disaggregation of the Company's revenue primarily in Singapore is as follow:-

Type of Services	US$
Sales	4,475,013

Timing of Revenue Recognition	US$
Point in time	4,475,013
Over time	-
	4,475,013

There are no unsatisfied performance obligations, deferred costs or deferred revenue from contracts with customers during the financial period ended 31 March 2019.

9) **Other Operating Expenses**

Other operating expenses include the following:-	US$
Professional & legal fee	27,962
Preliminary expenses written off	618

10) **Taxation**

The reconciliation of the tax expense and the product of accounting loss multiplied by the applicable rate are as follow:-

	US$
Loss before taxation	(13,630)
Tax at the applicable tax rate of 17%	(2,317)
Expenses not deductible for tax purposes	105
Deferred tax assets not recognised	2,212
	-

As at current reporting date, the Company had unutilised tax losses amounting to approximately US$13,000 available for setting off against its future tax income subject to compliance with the relevant section of the Income Tax Act and to the agreement of the tax authorities. The tax benefits on these unutilised tax losses are not recognised due to the uncertainty that the future taxable profits will be available against which the unutilised tax losses can be utilised.

11) **Financial Risk Management**

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The policies for managing each of these risks are summarized below.

i) Liquidity Risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities
The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

Financial liabilities	Carrying amount US$	Contractual cash flow US$	1 year or less US$	More than 1 year US$
Trade & other payables	2,492,829	2,492,829	2,492,829	-

ii) 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 minimises credit risk by dealing exclusively with high credit rating counterparties. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 365 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 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 and 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.

The Company determined that its financial assets are credit-impaired when there is significant difficulty of the debtor, a breach of contract, such as a default or past due event, it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation and there is a disappearance of an active market for that financial asset because of financial difficulty.

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is <365 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >365 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 debt or has no realistic prospect of recovery.	Amount is written off

Cash and cash equivalents
The cash and cash equivalents are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Other receivables
For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL").

Trade Receivables
The Company uses a provision rate to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision rate based on the Company's historical credit loss experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Management has assessed that there has not been a significant increase in credit risk since initial recognition; therefore no additional allowance for impairment loss on receivables is required during the financial period ended 31 March 2019.

Credit Risk Exposure and Significant Credit Risk Concentration
The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal Credit Rating	ECL	Gross Carrying Amount US$	Loss Allowance US$	Net Carrying Amount US$
Trade receivables	Performing	Lifetime ECL (simplified)	2,475,013	-	2,475,013
Other current receivables (excluding GST receivables & prepayments)	Performing	12-month ECL	2,825	-	2,825

iii) Foreign Currency Risk

The Company does not enter into derivative foreign exchange contracts to hedge its foreign currency risk. It is the Company's policy not to trade in derivative contracts.

The Company is primarily exposed to fluctuations in Singapore Dollars exchange rates arising from cash flows from anticipated transactions. The Company reviews periodically foreign currencies monetary assets and liabilities held in currencies other than the United States dollars to ensure that net exposure is kept at an acceptable level.

No sensivity analysis is performed as the Company is not exposed to significant foreign currency risk as at current reporting date.

iv) Fair Values

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

The following methods and assumption are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Cash & 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 approximate their fair values as they are subject to normal trade credit terms.

12) **Capital Management**

The board defines capital as total shareholders' equity excluding non-controlling interests.

The Company manages its capital to ensure that the Company will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital, reserves and retained earnings excluding non-controlling interests. The board reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the board considers the cost of capital and risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions, investment requirements and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to capital management during the year.

13) **Financial Instruments by Categories**

The following table summarises the carrying amount of financial assets and liabilities recorded at the reporting date by category:

	US$
Financial assets measured at amortised cost	
Loans & receivables (including due from holding company)	2,477,838
Cash & cash equivalents	8,768
At end of the year	2,486,606
Financial liabilities measured at amortised cost	
Trade & other payables	2,492,829

Further quantitative disclosures are included throughout these financial statements.
There are no significant fair value measurements recognised in the statement of financial position.

14) **Comparative Figures**

As this is the first set of accounts, no comparative figures are available for presentation.

SIMPLEX CASTINGS INTERNATIONAL PTE LTD
(Company Registration No: 201831377M)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL PERIOD FROM 12 SEPTEMBER 2018 (DATE OF INCORPORATION)
TO 31 MARCH 2019

	US$
REVENUE	
Sales	**4,475,013**
Less: Cost of Sales	
Purchases	(4,459,867)
Gross Profit	**15,146**
Less: Operating Expenses	
Bank Charges	180
Foreign Exchange Loss	16
Professional & Legal Fee	27,962
Preliminary Expenses Written Off	618
	28,776
Loss before Taxation	**(13,630)**

This schedule does not form Part of the Audited Statutory Accounts.