

**OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.**  
*(Incorporated in Singapore. Registration Number: 201129975E)*

**ANNUAL REPORT**  
*For the financial year ended 31 March 2018*

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

*(Incorporated in the Republic of Singapore)*

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## Directors

ASHOK KUMAR GUPTA

HARDIP SINGH

VENKATESAN MAHENDRAN

## Secretary

VENKATESAN MAHENDRAN

## Registered Office

101 Cecil Street

#11 - 10 Tong Eng Building

Singapore 069533

## Auditors

VKR PRACTICES

Chartered Accountants of Singapore

101 Cecil Street

#11 - 10 Tong Eng Building

Singapore 069533

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# **OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.**

## **DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2018*

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The directors present their statement to the members together with the audited financial statements for the financial year ended 31 March 2018.

### **Opinion of the Directors**

In the opinion of the directors,

- (a) the accompanying Statements of company are drawn up so as to give a true and fair view of the financial position of the Company at 31 March 2018 and of the financial performance of the business, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### **Directors**

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

ASHOK KUMAR GUPTA

HARDIP SINGH

VENKATESAN MAHENDRAN

### **Arrangements to enable directors to acquire shares and debentures**

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

### **Directors' interests in shares or debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporation.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## DIRECTORS' STATEMENT

*For the financial year ended 31 March 2018*

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### Share options

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

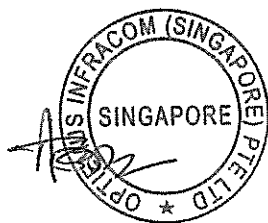
No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

### Independent auditors

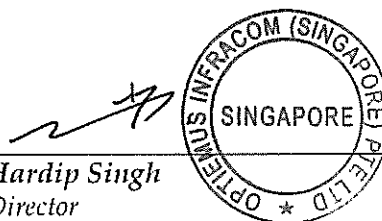
The independent auditors, VKR Practices, have expressed their willingness to accept appointment.

On behalf of the Board of Directors



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*Ashok Kumar Gupta*  
Director



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*Hardip Singh*  
Director

Singapore,  
Date: 30 May 2018



# VKR PRACTICES

Chartered Accountants and Public  
Accountants  
Reg. No. T08PF0927F

101 Cecil Street,  
#11-10 Tong Eng Building  
Singapore 069533  
Tel: +65 62279295  
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Email: [Contact@vkrpractices.com](mailto:Contact@vkrpractices.com)  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of Optiemus Infracom (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

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

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

#### *Responsibilities of Management and Directors for the Financial Statements*

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

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

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



# VKR PRACTICES

Chartered Accountants and Public  
Accountants  
Reg. No. T08PF0927F

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Website: [www.vkrpractices.com](http://www.vkrpractices.com)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD. - Cont'd

### *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:

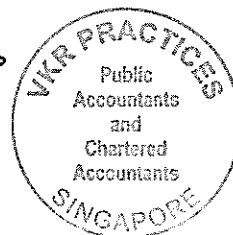
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

VKR Practices  
Public Accountants and Chartered Accountants  
Singapore,  
Date: 30 May 2018



# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 US\$	2017 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	4	-	1
<b>Current assets</b>			
Trade receivables	5	5,732	77,820
Other receivables	6	148,800	190,177
Cash and cash equivalents	7	90,834	56,575
		<u>245,366</u>	<u>324,572</u>
<b>Total assets</b>		<u>245,366</u>	<u>324,573</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accruals	8	8,636	16,883
Other payables	9	1,096	1,096
Provision for income tax	15	6,950	3,700
		<u>16,682</u>	<u>21,679</u>
<b>Total liabilities</b>		<u>16,682</u>	<u>21,679</u>
<b>NET ASSETS</b>		<u>228,684</u>	<u>302,894</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	10	2,290,020	2,290,020
Accumulated (losses)		<u>(2,061,336)</u>	<u>(1,987,126)</u>
		<u>228,684</u>	<u>302,894</u>

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

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the financial year ended 31 March 2018*

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Continuing Operations	Note	2018 US\$	2017 US\$
<b>Revenue</b>			
Sale of goods	11	480,353	750,302
Cost of sales	13	<u>(421,707)</u>	<u>(664,497)</u>
<b>Gross profit</b>		58,646	85,805
Other income	12	-	4,590
Administrative and other operating expenses (Loss)/profit before income tax	14	<u>(129,606)</u> (70,960)	<u>(9,286)</u> 81,109
Income tax expense	15	(3,250)	(3,700)
<b>Net (loss)/profit, representing total comprehensive (loss)/income for the year</b>		<u>(74,210)</u>	<u>77,409</u>

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



# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## STATEMENT OF CHANGES IN EQUITY

*For the financial year ended 31 March 2018*

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	Note	Share <u>capital</u> US\$	Accumulated <u>(losses)</u> US\$	Total <u>equity</u> US\$
<b>2018</b>				
Beginning of financial year		2,290,020	(1,987,126)	302,894
Total Comprehensive (loss) for the year		-	(74,210)	(74,210)
<b>End of financial year</b>		<b>2,290,020</b>	<b>(2,061,336)</b>	<b>228,684</b>
<b>2017</b>				
Beginning of financial year		2,290,020	(2,064,535)	225,485
Total Comprehensive (loss) for the year		-	77,409	77,409
<b>End of financial year</b>		<b>2,290,020</b>	<b>(1,987,126)</b>	<b>302,894</b>

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

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	<u>Note</u>	2018 US\$	2017 US\$
<b>Cash flows from operating activities</b>			
Net (loss)/profit for the year before tax		(70,960)	81,109
Adjustments for:			
- Investment in subsidiary written off		1	-
<b>Operating (loss)/profit before changes in working capital</b>		<u>(70,959)</u>	<u>81,109</u>
Change in working capital			
- Trade receivables		72,088	12,709
- Other receivables		(8,540)	31,100
- Trade payables and accruals		(8,247)	(118,203)
<b>Cash (used in)/generated from operations</b>		<u>(15,658)</u>	<u>6,715</u>
<b>Net cash (used in)/generated from operating activities</b>		<u>(15,658)</u>	<u>6,715</u>
<b>Cash flows from investing activities</b>			
Repayment from/ (to) holding company		49,917	(95,517)
<b>Net cash generated from/(used in) investing activities</b>		<u>49,917</u>	<u>(95,517)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>34,259</b>	<b>(88,802)</b>
Cash and cash equivalents at beginning of financial year		56,575	145,377
<b>Cash and cash equivalents at end of financial year</b>	7	<u>90,834</u>	<u>56,575</u>

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

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2018*

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

### 1. General information

The Company (Registration No. 201129975E) is a private limited company incorporated and domiciled in Singapore. The address of its registered office is 101 Cecil Street, #11 - 10 Tong Eng Building, Singapore 069533.

The principal activities of the Company are import, export and distribution of hand phones, accessories and allied products. There have been no significant changes in the nature of these activities during the financial year.

#### Holding company

The immediate holding company is 'Optiemus Infracom Limited', a company incorporated in India.

### 2. Summary of significant accounting policies

#### 2.1 Accounting Convention

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS ("INT FRS") and the Companies Act, Cap 50. The financial statements are prepared under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

#### Basis of Preparation of Financial Statements

The preparation of financial statements in conformity with FRS requires the management to make 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 reporting amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Company's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where estimates and assumptions are significant to the financial statements, are disclosed in Note 3.

#### Basis of Presentation

Consolidated financial statements have not been presented as the reporting entity is a wholly owned subsidiary. The address of the ultimate parent company presenting the group financial statements is: Optiemus Infracom Limited, 317, Competent House, F-14, Connaught Place, New Delhi 110001, India.

#### 2.2 Cash and cash equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2018*

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### 2. Summary of significant accounting policies (continued)

#### 2.3 Adoption Of New And Revised Standards

In the current financial period, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or 1 April 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's and company's accounting policies and has no material effect on the amounts reported for the current or prior year.

#### 2.4 Key management personnel

Key management personnel of the Company are those persons having the authority and responsibility for the planning, directing and controlling the activities of the Company. The directors and chief operating officer of the Company are considered as key management personnel of the Company.

#### 2.5 Taxes

##### a) Current income tax

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

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

##### b) Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the 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.

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

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

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

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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### 2. Summary of significant accounting policies (continued)

#### 2.6 Financial Assets

##### *Initial recognition and measurement:*

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date.

##### *Subsequent measurement:*

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit and loss: As at period end date, there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement. The trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at period end date, there were no financial assets classified in this category.
4. Available for sale financial assets: As at period end date, there were no financial assets classified in this category.

##### Derecognition of financial assets:

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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### 2. Summary of significant accounting policies (continued)

#### 2.7 Financial Liabilities

##### *Initial recognition and measurement:*

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### *Subsequent measurement:*

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit and loss: As at period end date, there were no financial liabilities classified in this category.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

#### 2.8 Provisions

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

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

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

#### 2.9 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.

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# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2018*

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### 2. Summary of significant accounting policies (continued)

#### 2.10 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 company (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 associate or joint venture of a member of a company of 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 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 is 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).

#### 2.11 Currency translation

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency), to be United States Dollars (USD). Sales prices and major costs of providing goods and services are primarily influenced by fluctuations in USD.

Transactions in a currency other than United States Dollars ("foreign currency") are translated into United States Dollars using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in the statement of comprehensive income. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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### 2. Summary of significant accounting policies (continued)

#### 2.12 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 easily measured. Revenue is measured at the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities.

#### Sale of goods

Sales are recognised when the Company has delivered the goods to the customers, the customers have accepted the goods and the collectability of the related receivables are reasonably assured. Sales are presented, net of goods and services tax, rebates and discounts.

#### 2.13 FRS issued but not yet effective

The Company has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the results of current or prior years.

#### 2.14 Subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary is accounted for at cost less impairment losses.

#### 2.15 Fair value estimation of financial assets and liabilities

The carrying amount of financial assets and liabilities with a maturity of less than one period is assumed to approximate their fair values. The Company does not anticipate that the carrying amounts recorded at balance sheet date would be significantly different from the values that would eventually be received or settled.

### 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical assumptions used and accounting estimates in applying accounting policies:

#### (i) Allowance for Trade and Other Receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made. The carrying value of trade and other receivables are disclosed in Note 5 & 6 to the financial statement.



# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

### 4. Investment in subsidiary

	2018 US\$	2017 US\$
Beginning and end of financial year	1	1
Written off during the year	(1)	-
	<u>-</u>	<u>1</u>

Details of investment in subsidiary are as follows:

<u>Name of Subsidiary company</u>	<u>Principal activity</u>	<u>Country of Incorporation</u>	<u>Cost</u>		<u>Equity holding</u>	
			2018 US\$	2017 US\$	2018 %	2017 %
Optiemus Metals & Mining Pte Ltd	Import and export of iron ore and coal mining	Singapore	-	1	-	100
			<u>-</u>	<u>1</u>		

### 5. Trade receivables

	2018 US\$	2017 US\$
Third parties	<u>5,732</u>	<u>77,820</u>

The trade receivables are non-interest bearing and are generally on 75 - 90 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Company has not made any allowances on all these receivables as the directors are of the view that all the receivables are recoverable.

### 6. Other receivables

	2018 US\$	2017 US\$
Amount due from holding company	-	49,917
Amount due from third party	-	140,260
Advance to suppliers	148,800	-
	<u>148,800</u>	<u>190,177</u>

The amount due from holding company is unsecured, interest-free and recoverable on demand.

### 7. Cash and cash equivalents

	2018 US\$	2017 US\$
Cash at bank	<u>90,834</u>	<u>56,575</u>

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

### 7. Cash and cash equivalents – (Cont'd)

The Company's Cash and cash equivalents that are not denominated in functional currency is as follows: -

	US\$	US\$
Singapore Dollars	1,295	8,914

### 8. Trade payables and accruals

	2018	2017
	US\$	US\$
Trade payables		
- Third party	4,850	5,536
Accruals for operating expenses	3,786	11,347
	<u>8,636</u>	<u>16,883</u>

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

The Company's trade payables and accruals that are not denominated in functional currency is as follows: -

	US\$	US\$
Singapore Dollars	3,786	3,958

### 9. Other payables

	2018	2017
	US\$	US\$
Amount due to:		
- Third party	1,096	1,096

The amount due to holding company is unsecured, interest-free and repayable on demand.

### 10. Share Capital

The Company's share capital comprises fully paid-up 2,291,001 (2017: 2,291,001) ordinary share with no par value, amounting to a total of US\$ 2,290,020 (2017: US\$ 2,290,020). 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.

### 11. Revenue

	2018	2017
	US\$	US\$
Sales of goods	480,353	750,302

### 12. Other income

	2018	2017
	US\$	US\$
Miscellaneous income	-	4,590

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

13.	<b>Cost of Sales</b>	2018 US\$	2017 US\$
	Purchases	408,684	638,110
	Freight charges	13,023	26,387
		421,707	664,497
14.	<b>Administrative and other operating expenses</b> <i>Administrative and other operating expenses include:</i>	2018 US\$	2017 US\$
	Professional Charges	3,217	2,610
	Bad debts written off	122,354	-
	Bank Charges	933	3,389
		933	3,389
15.	<b>Income taxes</b>	2018 US\$	2017 US\$
(a)	<u>Income tax expense</u> Tax expense attributable to profit is made up of: - Current year income tax	3,250	3,700
	The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:		
		2018 US\$	2017 US\$
	(Loss)/profit before tax	(70,960)	81,109
	Tax calculated at a tax rate of 17%	(12,063)	13,788
	Effects of:		
	Expenses not deductible for tax purposes	20,800	-
	Statutory tax exemption for income	(4,676)	(4,932)
	Deferred tax assets not recognised	-	(4,210)
	Tax rebate	(811)	(946)
	Tax expense	3,250	3,700
(b)	<u>Movements in current income tax liabilities</u>	2018 US\$	2017 US\$
	Beginning of financial year	3,700	-
	Tax payable on profit for current financial year	3,250	3,700
	End of financial year	6,950	3,700

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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### 16. Financial risk management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of directors reviews and agrees policies and procedures for managing of these risks and fair values of the assets and liabilities of the Company. Each of these risks are summarised below:

#### Credit Risk

The credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. The Company's customer portfolio is diversified and there is no reliance on any customer. These exposures are monitored and provision for potential credit losses is adjusted when necessary. The aggregate amount of its trade and other receivables and bank balance represents the Company maximum exposure to credit risk. Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of the Company's customers to make payments when due. The amounts presented in the balance sheet are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment. Information regarding financial assets that are either past due or impaired is disclosed in Note 5 (Trade receivables).

#### Foreign Currency Risk

The Company has transactional currency exposures that are denominated in a currency other than the functional currency. The foreign currency in which these transactions are denominated are mainly Singapore Dollars.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change Singapore Dollars (SGD) exchange rates against the functional currency, with all other variables held constant.

	2018 US\$	2017 US\$
Cash at bank	1,295	8,914
Trade payables and accruals	(3,786)	(3,958)
	<u>(2,491)</u>	<u>4,956</u>

As at 31 March 2018, if the foreign currencies are strengthen/weakened by 5% against the United States Dollars against all variables including the tax rate being held constant, the Company's profit after tax for the financial year would have been US\$ 125 (2017: US\$ 247) higher/lower as a result of currency translation gains/losses on the remaining foreign currencies denominated financial assets.

#### Interest Rate Risk

The Company's has no significant exposure to interest rate risk.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

### 16. Financial risk management – Cont'd

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient level of cash or cash equivalents to meet its working capital requirement.

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the year based on contractual undiscounted repayment obligations:

<u>2018</u>	One year or less US\$	Two to five years US\$	Over five years US\$	Total US\$
<u>Financial Assets</u>				
Trade and other receivables	5,732	-	-	5,732
Cash and cash equivalents	90,834	-	-	90,834
Total undiscounted financial assets	96,566	-	-	96,566
<u>Financial Liabilities</u>				
Trade and other payables	(4,850)	-	-	(4,850)
Total undiscounted financial liabilities	(4,850)	-	-	(4,850)
Total net undiscounted financial assets	91,716	-	-	91,716
<u>2017</u>				
	One year or less US\$	Two to five years US\$	Over five years US\$	Total US\$
<u>Financial Assets</u>				
Trade and other receivables	267,997	-	-	267,997
Cash and cash equivalents	56,575	-	-	56,575
Total undiscounted financial assets	324,572	-	-	324,572
<u>Financial Liabilities</u>				
Trade and other payables	(6,632)	-	-	(6,632)
Total undiscounted financial liabilities	(6,632)	-	-	(6,632)
Total net undiscounted financial assets	317,940	-	-	317,940

#### Fair Values

The financial assets and liabilities of the Company comprise trade and other receivables, cash and cash equivalents, trade and other payables. The carrying values of the financial assets and liabilities as showed in the balance sheet approximate their fair value amounts at the balance sheet.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2018*

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### 16. Financial risk management – Cont' d

#### Capital Management

The primary objective of the Company's capital management is to maximize shareholder's value. The company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no externally imposed capital requirements that the Company needs to be in compliance with for the financial years ended 31 March 2018 and 2017. No changes were made in the objectives, policies or processes during year ended 31 March 2018 and 2017.

### 17. Future Changes in Accounting Standards

Certain new accounting standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2018 or later periods and which the Company has not early adopted. The standards that are relevant to the Company's financial statements would not have any material impact on the financial statements.

### 18. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 30 May 2018.