

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

*(Incorporated in Singapore. Registration Number: 201129975E)*

**ANNUAL REPORT**

*For the financial year ended 31 March 2019*

# 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 2019*

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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 2019.

### 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 2019 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 its related corporations, except as follows:

| Name of director and company<br>in which interest are held                   | <u>At the beginning<br/>of the year</u> | <u>At the end<br/>of the year</u> |
|--|---|-----------------------------------|
| <i>Number of Ordinary Shares<br/>of the Holding Company (INR 10 each) :-</i> |   |                                   |
| <b>Ashok Kumar Gupta</b>   | 5,754,894                               | 5,754,894                         |

*By virtue of Section 7 of the Companies Act, the above director with shareholdings is deemed to have an interest in the Company and in all the related corporation of the Company.*

### 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.

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# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## DIRECTORS' STATEMENT

*For the financial year ended 31 March 2019*

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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: 28 May 2019



# 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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## 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 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

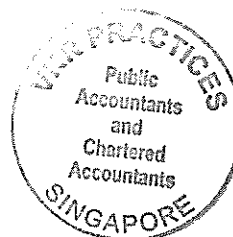
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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: 28 May 2019



# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

|   | Note | 2019<br>US\$       | 2018<br>US\$       |
|---|------|--------------------|--------------------|
| <b>ASSETS</b>   |      |                    |                    |
| <b>Current assets</b>   |      |                    |                    |
| Trade receivables   | 4    | 5,730              | 5,732              |
| Other receivables   | 5    | -                  | 148,800            |
| Cash and cash equivalents   | 6    | 56,991             | 90,834             |
|   |      | <u>62,721</u>      | <u>245,366</u>     |
| <b>Total assets</b>   |      | <u>62,721</u>      | <u>245,366</u>     |
| <b>LIABILITIES</b>  |      |                    |                    |
| <b>Current liabilities</b>  |      |                    |                    |
| Trade payables and accruals   | 7    | 2,950              | 8,636              |
| Other payables  | 8    | 1,246              | 1,096              |
| Provision for income tax  | 13   | 4,220              | 6,950              |
|   |      | <u>8,416</u>       | <u>16,682</u>      |
| <b>Total liabilities</b>  |      | <u>8,416</u>       | <u>16,682</u>      |
| <b>NET ASSETS</b>   |      | <u>54,305</u>      | <u>228,684</u>     |
| <b>EQUITY</b>   |      |                    |                    |
| <b>Capital and reserves attributable to equity holders of the Company</b> |      |                    |                    |
| Share capital   | 9    | 2,290,020          | 2,290,020          |
| Accumulated (losses)  |      | <u>(2,235,715)</u> | <u>(2,061,336)</u> |
|   |      | <u>54,305</u>      | <u>228,684</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 2019*

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| Continuing Operations   | Note | 2019<br>US\$     | 2018<br>US\$     |
|---|------|------------------|------------------|
| <b>Revenue</b>  |      |                  |                  |
| Sale of goods   | 10   | 210,835          | 480,353          |
| Cost of sales   | 11   | <u>(192,399)</u> | <u>(421,707)</u> |
| <b>Gross profit</b>   |      | 18,436           | 58,646           |
| <br>  |      |                  |                  |
| Administrative and other operating expenses                             | 12   | <u>(192,815)</u> | <u>(129,606)</u> |
| (Loss) before income tax  |      | <u>(174,379)</u> | <u>(70,960)</u>  |
| <br>  |      |                  |                  |
| Income tax expense  | 13   | -                | (3,250)          |
| <br>  |      |                  |                  |
| <b>Net (loss), representing total comprehensive (loss) for the year</b> |      | <u>(174,379)</u> | <u>(74,210)</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 2019*

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|   | Note | Share<br><u>capital</u><br>US\$ | Accumulated<br><u>(losses)</u><br>US\$ | Total<br><u>equity</u><br>US\$ |
|---|------|---------------------------------|--|--------------------------------|
| <b>2019</b>                             |      |                                 |  |                                |
| Beginning of financial year             |      | 2,290,020                       | (2,061,336)                            | 228,684                        |
| Total Comprehensive (loss) for the year |      | -                               | (174,379)                              | (174,379)                      |
| <b>End of financial year</b>            |      | <b>2,290,020</b>                | <b>(2,235,715)</b>                     | <b>54,305</b>                  |
| <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>                 |

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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 2019*

|   | <u>Note</u> | 2019<br>US\$     | 2018<br>US\$    |
|---|-------------|------------------|-----------------|
| <b>Cash flows from operating activities</b>                   |             |                  |                 |
| Net (loss) for the year before tax                            |             | (174,379)        | (70,960)        |
| Adjustments for:  |             |                  |                 |
| - Investment in subsidiary written off                        |             | -                | 1               |
| <b>Operating (loss) before changes in working capital</b>     |             | <u>(174,379)</u> | <u>(70,959)</u> |
| <b>Change in working capital</b>                              |             |                  |                 |
| - Trade receivables   | 2           | 72,088           |                 |
| - Other receivables   |             | 148,800          | (8,540)         |
| - Trade payables and accruals                                 |             | (5,686)          | (8,247)         |
| <b>Cash (used in) from operations</b>                         |             | <u>(31,263)</u>  | <u>(15,658)</u> |
| - Income tax paid   |             | (2,730)          | -               |
| <b>Net cash (used in) operating activities</b>                |             | <u>(33,993)</u>  | <u>(15,658)</u> |
| <b>Cash flows from investing activities</b>                   |             |                  |                 |
| Due from a holding company                                    |             | 150              | 49,917          |
| <b>Net cash generated from investing activities</b>           |             | <u>150</u>       | <u>49,917</u>   |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |             |                  |                 |
|   |             | (33,843)         | 34,259          |
| Cash and cash equivalents at beginning of financial year      |             | 90,834           | 56,575          |
| <b>Cash and cash equivalents at end of financial year</b>     | 6           | <u>56,991</u>    | <u>90,834</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 2019

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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.

#### 2.2 Adoption Of New And Revised Standards

On 1 January 2018, the Company adopted the new FRS 115 *Revenue from contracts with customers* and FRS 109 *Financial Instruments* that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs. Changes resulting from the adoption of the new standards are as follows:

##### ***FRS 115 Revenue from Contracts with Customers***

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced FRS 18 *Revenue*, FRS 11 *Construction Contracts* and related interpretations. Under FRS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgement.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

### 2. Summary of significant accounting policies (Cont'd)

#### 2.2 Adoption Of New And Revised Standards (Cont'd)

The Company has adopted FRS 115 using the cumulative effect method to contracts that are not completed contracts at the date of initial application 1 January 2018, with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under FRS 18, FRS 11 and related interpretations, as applicable. Additionally, the disclosure requirements in FRS 115 have not generally been applied to comparative information.

FRS 115 did not have a significant impact on the Company's financial statements.

#### *FRS 109 Financial Instruments*

FRS 109 sets out requirements for recognising and measuring financial assets and financial liabilities. It also introduces a new ECL model and a new general hedge accounting model. This standard replaces FRS 39 *Financial Instruments: Recognition and Measurement*.

As a result of the adoption of FRS 109, the Company has adopted consequential amendments to FRS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss. Additionally, the Company has adopted consequential amendments to FRS 107 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

#### (i) Classification and measurement of financial assets and financial liabilities

FRS 109 has also replaced the classification categories of FRS 39 with financial assets measured at: amortised cost, FVOCI and FVTPL. The following table summarises the original measurement categories under FRS 39 and the new measurement categories under FRS 109 for each class of the Company's financial assets as at 1 April 2018.

|                              | Original<br>classification<br>under FRS 39 | New<br>classification<br>under FRS 109 | Original<br>carrying<br>amount under<br>FRS 39<br>US\$ | New carrying<br>amount under<br>FRS 109<br>US\$ |
|------------------------------|--|--|--|---|
| <b>Financial assets</b>      |  |  |  |   |
| Trade receivables            | Loans and receivables                      | Amortised cost                         | 5,732  | 5,732   |
| Other receivables            | Loans and receivables                      | Amortised cost                         | 148,800  | 148,800   |
| Cash and cash<br>equivalents | Loans and receivables                      | Amortised cost                         | 90,834   | 90,834  |
| Total financial<br>assets    |  |  | <u>245,366</u>   | <u>245,366</u>                                  |

#### (ii) Impairment

FRS 109 requires the Company to record expected credit losses on all of its financial assets measured at amortised cost, either on a 12-month or lifetime basis. The Company previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. Given the limited exposure of the Company to credit risk, this amendment has no material impact on the financial statements.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

#### 2.3 Cash and cash equivalents

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

#### 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 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.

#### 2.6 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 2019

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

#### 2.7 Financial Assets

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

##### *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.

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# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

#### 2.7 Financial Assets- (Cont'd)

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

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

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

##### **Subsequent measurement**

###### *Investments in debt instruments*

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

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

###### *Investments in equity instruments*

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

###### *Derecognition*

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

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

#### 2.8 Financial Liabilities

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

##### *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.

##### *Derecognition:*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

##### *Financial Liabilities*

##### *Initial Recognition and Measurement*

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

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# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2019*

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

#### 2.8 Financial Liabilities – (Cont'd)

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

##### *Subsequent Measurement*

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

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### 2.9 Revenue recognition

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

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

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

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

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

##### *Sale of goods*

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume rebates based on the aggregate sales over a period of time.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2019*

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

#### 2.9 Revenue recognition – (Cont'd)

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

##### Sale of goods (cont'd)

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company recognises the expected volume rebates payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Company recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

At the end of each reporting date, the Company updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Company also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

The Company has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

#### 2.10 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.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

#### 2.11 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).

#### 2.12 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 2019

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

#### 2.13 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.

#### 2.14 Impairment

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

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL). For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 2.19 New standards and interpretations not yet adopted

The following is a list of standards and interpretations issued but not yet effective that are not relevant to the Company.

| Description                              | Effective for annual periods beginning on or after |
|--|--|
| FRS 116 <i>Leases</i>                    | 1 January 2019                                     |
| Annual Improvements to FRSs (March 2018) | 1 January 2019                                     |

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

### 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:

#### Provision for expected credit losses (ECLs) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and 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 trade receivables is disclosed in Note 14. The carrying amount of the Company's trade receivables as at 31 March 2019 was US\$ 5,730 (2018: US\$ 5,732).

### 4. Trade receivables

|               | 2019  | 2018  |
|---------------|-------|-------|
|               | US\$  | US\$  |
| Third parties | 5,730 | 5,732 |

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.

#### Trade receivables that are past due but not impaired:

|                                    | 2019  | 2018 |
|------------------------------------|-------|------|
|                                    | US\$  | US\$ |
| <u>Trade receivables past due:</u> |       |      |
| Within 30 days                     | 5,730 | -    |

*Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables past due. These receivables are mainly arising by customers that have good credit record with the Company.*

### 5. Other receivables

|                      | 2019 | 2018    |
|----------------------|------|---------|
|                      | US\$ | US\$    |
| Advance to suppliers | -    | 148,800 |

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

|     |  |               |               |
|-----|--|---------------|---------------|
| 6.  | <b>Cash and cash equivalents</b>   | 2019<br>US\$  | 2018<br>US\$  |
|     | Cash at bank   | 56,991        | 90,834        |
|     | <i>The Company's Cash and cash equivalents that are not denominated in functional currency is as follows: -</i>  |               |               |
|     | Singapore Dollars  | US\$<br>7,313 | US\$<br>1,295 |
| 7.  | <b>Trade payables and accruals</b>   | 2019<br>US\$  | 2018<br>US\$  |
|     | Trade payables   |               |               |
|     | - Third party  | -             | 4,850         |
|     | Accruals for operating expenses  | 2,950         | 3,786         |
|     |  | 2,950         | 8,636         |
|     | Trade payables are normally settled on 30-days terms. These amounts are non-interest bearing.  |               |               |
|     | <i>The Company's trade payables and accruals that are not denominated in functional currency is as follows: -</i>  |               |               |
|     | Singapore Dollars  | US\$<br>2,950 | US\$<br>3,786 |
| 8.  | <b>Other payables</b>  | 2019<br>US\$  | 2018<br>US\$  |
|     | Amount due to:   |               |               |
|     | - Amount due to a holding company  | 150           | -             |
|     | - Third party  | 1,096         | 1,096         |
|     |  | 1,246         | 1,096         |
|     | <i>The amount due to a holding company is unsecured, interest-free and repayable on demand.</i>  |               |               |
| 9.  | <b>Share Capital</b>   |               |               |
|     | The Company's share capital comprises fully paid-up 2,291,001 (2018: 2,291,001) ordinary share with no par value, amounting to a total of US\$ 2,290,020 (2018: 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. |               |               |
| 10. | <b>Revenue</b>   | 2019<br>US\$  | 2018<br>US\$  |
|     | Sales of goods   | 210,835       | 480,353       |

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

|  |           |          |
|--|-----------|----------|
| <b>11. Cost of Sales</b>   |           |          |
|  | 2019      | 2018     |
|  | US\$      | US\$     |
| Purchases  | 186,212   | 408,684  |
| Freight charges  | 6,187     | 13,023   |
|  | 192,399   | 421,707  |
| <b>12. Administrative and other operating expenses</b>   |           |          |
| <i>Administrative and other operating expenses include:</i>  |           |          |
|  | 2019      | 2018     |
|  | US\$      | US\$     |
| Director's fees  | 1,770     | 1,830    |
| Professional fees  | 181,872   | 1,387    |
| Bad debts written off  | -         | 122,354  |
| Bank Charges   | 573       | 933      |
|  | 573       | 933      |
| <b>13. Income taxes</b>  |           |          |
|  | 2019      | 2018     |
|  | US\$      | US\$     |
| (a) <u>Income tax expense</u>  |           |          |
| Tax expense attributable to profit is made up of:  |           |          |
| - Current year income tax  | -         | 3,250    |
|  | -         | 3,250    |
| The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows: |           |          |
|  | 2019      | 2018     |
|  | US\$      | US\$     |
| (Loss) before tax  | (174,379) | (70,960) |
| Tax calculated at a tax rate of 17%  | (29,644)  | (12,063) |
| Effects of:  |           |          |
| Expenses not deductible for tax purposes   | -         | 20,800   |
| Statutory tax exemption for income   | -         | (4,676)  |
| Deferred tax assets not recognised   | 29,644    | -        |
| Tax rebate   | -         | (811)    |
| Tax expense  | -         | 3,250    |
| (b) <u>Movements in current income tax liabilities</u>   |           |          |
|  | 2019      | 2018     |
|  | US\$      | US\$     |
| Beginning of financial year  | 6,950     | 3,700    |
| Income tax paid  | (2,730)   | -        |
| Tax payable on profit for current financial year   | -         | 3,250    |
| End of financial year  | 4,220     | 6,950    |

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

### 14. Financial risk management objectives and policies

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:

#### 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>2019</u>                                     | One year or<br>less<br>US\$ | Two to five<br>years<br>US\$ | Over five<br>years<br>US\$ | Total<br>US\$  |
|---|-----------------------------|------------------------------|----------------------------|----------------|
| <b><u>Financial Assets</u></b>                  |                             |                              |                            |                |
| Trade and other receivables                     | 5,730                       | -                            | -                          | 5,730          |
| Cash and cash equivalents                       | 56,991                      | -                            | -                          | 56,991         |
| <b>Total undiscounted financial assets</b>      | <b>62,721</b>               | <b>-</b>                     | <b>-</b>                   | <b>62,721</b>  |
| <b><u>Financial Liabilities</u></b>             |                             |                              |                            |                |
| Trade and other payables                        | (150)                       | -                            | -                          | (150)          |
| <b>Total undiscounted financial liabilities</b> | <b>(150)</b>                | <b>-</b>                     | <b>-</b>                   | <b>(150)</b>   |
| <b>Total net undiscounted financial assets</b>  | <b>62,571</b>               | <b>-</b>                     | <b>-</b>                   | <b>62,571</b>  |
| <br>  |                             |                              |                            |                |
| <u>2018</u>                                     | One year or<br>less<br>US\$ | Two to five<br>years<br>US\$ | Over five<br>years<br>US\$ | Total<br>US\$  |
| <b><u>Financial Assets</u></b>                  |                             |                              |                            |                |
| Trade and other receivables                     | 5,732                       | -                            | -                          | 5,732          |
| Cash and cash equivalents                       | 90,834                      | -                            | -                          | 90,834         |
| <b>Total undiscounted financial assets</b>      | <b>96,566</b>               | <b>-</b>                     | <b>-</b>                   | <b>96,566</b>  |
| <b><u>Financial Liabilities</u></b>             |                             |                              |                            |                |
| Trade and other payables                        | (4,850)                     | -                            | -                          | (4,850)        |
| <b>Total undiscounted financial liabilities</b> | <b>(4,850)</b>              | <b>-</b>                     | <b>-</b>                   | <b>(4,850)</b> |
| <b>Total net undiscounted financial assets</b>  | <b>91,716</b>               | <b>-</b>                     | <b>-</b>                   | <b>91,716</b>  |



# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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### 14. Financial risk management objectives and policies – Cont'd

#### Credit Risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables.

The Company has adopted procedures in monitoring collections and default payments from its trade and other receivables. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. Hence, the Company does not expect to incur material credit losses. Cash and cash equivalents are placed with reputable and regulated financial institutions. For other financial assets, the Company minimizes credit risk by dealing mainly with high credit rating counterparties.

The Company has applied the simplified approach to providing for impairment for ECLs prescribed by FRS 109, which permits the use of the lifetime expected loss provision for impairment of trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward looking information.

Given (i) there was no significant default in prior years, the management considered the default rate of financial assets is minimal; and (ii) no adverse change in the business environment is anticipated, management considered that the expected credit loss rate of their members is minimal for all ageing bands. As a result, no additional provision for impairment of trade receivables is necessary for the year ended 31 March 2019 and as at 1 April 2018. All of the trade and other receivables balances are expected to be recovered within one year.

#### *Exposure to credit risk*

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position.

#### *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions.

#### 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.

# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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### 14. Financial risk management objectives and policies – Cont'd

#### Foreign Currency Risk – (Cont'd)

|                             | 2019<br>US\$ | 2018<br>US\$   |
|-----------------------------|--------------|----------------|
| Cash at bank                | 7,313        | 1,295          |
| Trade payables and accruals | (2,950)      | (3,786)        |
|                             | <u>4,363</u> | <u>(2,491)</u> |

As at 31 March 2019, 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\$ 218 (2018: US\$ 125) 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.

#### 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 2019 and 2018. No changes were made in the objectives, policies or processes during year ended 31 March 2019 and 2018.

#### 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.

### 15. Related party transactions

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

|   | US\$           | US\$ |
|---|----------------|------|
| <i>Transactions with Holding Company:</i> |                |      |
| Professional fees                         | <u>180,000</u> | -    |

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# OPTIEMUS INFRACOM (SINGAPORE) PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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### 16. Financial instruments by category

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

|                                     | 2019<br>US\$  | 2018<br>US\$   |
|-------------------------------------|---------------|----------------|
| <b><u>Financial assets</u></b>      |               |                |
| <b><u>At amortised cost</u></b>     |               |                |
| Trade and other receivables         | 5,730         | 154,532        |
| Cash and cash equivalents           | 56,991        | 90,834         |
|                                     | <u>62,721</u> | <u>245,366</u> |
| <b><u>Financial liabilities</u></b> |               |                |
| <b><u>At amortised cost</u></b>     |               |                |
| Trade and other payables            | 4,196         | 9,732          |
|                                     | <u>4,196</u>  | <u>9,732</u>   |

### 17. Explanation of Adoption of New Standards

The Company applied the following standards that are mandatorily effective for annual periods beginning on or after 1 January 2018:

- (a) FRS 109 Financial Instruments
- (b) FRS 115 Revenue from Contracts with Customers
- (c) INT FRS 122: Foreign currency transactions and advance considerations

The application of the above standards and interpretations do not have a material effect on the financial statements.

### 18. 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 2019 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.

### 19. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 May 2019.