

PRICOL ASIA PTE. LIMITED

(Registration number: 201221194R)

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 27 AUGUST 2012 (DATE
OF INCORPORATION) TO 31 MARCH 2013**

PRICOL ASIA PTE. LIMITED

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 27 AUGUST 2012 (DATE
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PRICOL ASIA PTE. LIMITED

REPORT OF THE DIRECTORS

The directors present their first report together with the audited financial statements of the company for the financial period ended 31 March 2013. The financial period covers the period since incorporation on 27 August 2012 to 31 March 2013.

1. DIRECTORS

The directors of the company in office at the date of this report are:

Vikram Mohan (Appointed on 27 August 2012)
Alwarsamy Muthalraj (Appointed on 5 April 2013)

2. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company who held office at the end of the financial period, had an interest in the share capital of the company's holding company as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Cap. 50 ("the Act"), as stated below:

Name of director and corporation in which interests are held	Shareholdings registered in name of Director		Shareholdings in which Director is deemed to Have an interest	
	At beginning of period	At end of period	At beginning of period	At end of period
Pricol Limited (Holding company)				
	<u>Number of equity shares of Rs 1.00</u>			
Vikram Mohan	3,363,960	3,363,960	* 181,575	* 181,575

* The shares are registered in the name of the director's child who is under the age of 21 years.

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the date of incorporation, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest except as disclosed in the notes to the attached financial statements.

PRICOL ASIA PTE. LIMITED

REPORT OF THE DIRECTORS

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial period, no option to take up unissued shares of the company was granted.

6. OPTIONS EXERCISED

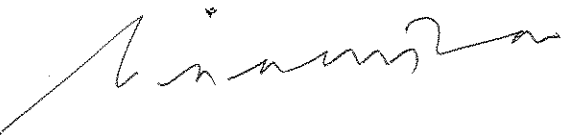
During the financial period, there were no shares of the company issued by virtue of the exercise of options to take up unissued shares.

7. UNISSUED SHARES UNDER OPTIONS

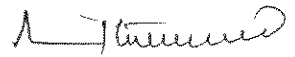
As at the end of the financial period, there were no unissued shares of the company under option.

8. INDEPENDENT AUDITORS

The independent auditors, M/s. Prudential Public Accounting Corporation, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.



.....
Vikram Mohan
Director



.....
Alwarsamy Muthalraj
Director

Singapore, 30 August 2013

PRICOL ASIA PTE. LIMITED

STATEMENT BY DIRECTORS

We, being two of the directors of the company, do hereby state that in our opinion:-

- (a) the accompanying financial statements set out on pages 6 to 29 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2013, and of the results of the business, changes in equity and cash flows of the company for the financial period from 27 August 2012 (date of incorporation) to 31 March 2013; 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.

.....
Vikram Mohan
Director

.....
Alwarsamy Muthalraj
Director

Singapore, 30 August 2013

PRICOL ASIA PTE. LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the financial statements

We have audited the accompanying financial statements of PRICOL ASIA PTE. LIMITED, which comprises the statement of financial position as at 31 March 2013, and statement of comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 29 for the financial period from 27 August 2012 (date of incorporation) to 31 March 2013.

Management's responsibility for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Singapore Companies Act Cap. 50 (the "Act"). This responsibility includes: 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Independent auditors' responsibility for the financial statements

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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PRICOL ASIA PTE. LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS – cont'd

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and the results, changes in equity and cash flows of the company for the financial period from 27 August 2012 (date of incorporation) to 31 March 2013.

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.



PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE



Singapore, 30 August 2013

PRICOL ASIA PTE. LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	<u>Note</u>	<u>2013</u> S\$
ASSETS		
Current assets:		
Trade and other receivables	(7)	151,361
Bank balances	(8)	<u>1,028</u>
Total current assets		<u>152,389</u>
Total assets		<u><u>152,389</u></u>
EQUITY AND LIABILITIES		
Equity:		
Share capital	(9)	607
Retained earnings		<u>99,657</u>
Total equity		<u>100,264</u>
Current liabilities:		
Other payables	(10)	43,332
Income tax payable		<u>8,793</u>
Total current liabilities		<u>52,125</u>
Total equity and liabilities		<u><u>152,389</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

PRICOL ASIA PTE. LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 27 AUGUST 2012 (DATE
OF INCORPORATION) TO 31 MARCH 2013

	<u>Note</u>	27 Aug 2012 To 31 Mar 2013 S\$
Revenue	(11)	147,600
Administrative expenses		<u>(39,150)</u>
Profit before income tax		108,450
Income tax expense	(12)	<u>(8,793)</u>
Profit for the period		99,657
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>99,657</u>

The accompanying accounting policies and explanatory notes form an integral part
of these financial statements.

PRICOL ASIA PTE. LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 27 AUGUST 2012 (DATE
OF INCORPORATION) TO 31 MARCH 2013

	Share Capital	Retained Earnings	Total
	S\$	S\$	S\$
Balance as at date of incorporation, 27 August 2012	607	-	607
Total comprehensive income for the period	-	99,657	99,657
Balance as at 31 March 2013	607	99,657	100,264

The accompanying accounting policies and explanatory notes form an integral part
of these financial statements.

PRICOL ASIA PTE. LIMITED

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 27 AUGUST 2012 (DATE
OF INCORPORATION) TO 31 MARCH 2013

	27 Aug 2012 To <u>31 Mar 2013</u> S\$
Cash flows from operating activities:	
Profit before income tax and working capital changes	108,450
Trade and other receivables	(151,361)
Other payables	<u>43,332</u>
Net cash from operations	<u>421</u>
Financing activities:	
Proceeds from issue of shares	<u>607</u>
Net cash from financing activities	<u>607</u>
Net increase in cash bank balance	1,028
Cash and bank balance at beginning of period	<u>-</u>
Cash and bank balance at end of period	<u><u>1,028</u></u>

The accompanying accounting policies and explanatory notes form an integral part
of these financial statements.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2013

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

1. GENERAL

a) Corporate Information

Pricol Asia Pte. Limited ("the company") (Registration number: 201221194R) is a private limited company, which is domiciled and incorporated in the Republic of Singapore with its registered office at:

17 Phillip Street #05-01
Grand Building
Singapore 048695

The principal activities of the company are to carry on the business of general importers and exporters.

b) Authorisation of financial statements for issue

The financial statements of the company for the period ended 31 March 2013 were authorised for issue in accordance with the directors' resolution dated 30 August 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies

a) Adoption of new and revised FRS and INT FRS

In the current financial period, the company has adopted all the new and revised FRSs issued by the ASC that are relevant to its operations and effective from beginning of period on 27 August 2012. The adoption of these new/revised FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1	Amendment to FRS1 – Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 32	Amendments to FRS 32: Offsetting of Financial Assets and Financial Liabilities	1 January 2014
FRS 107	Amendments to FRS 107: Disclosures - Offsetting of Financial Assets and Financial Liabilities	1 January 2013
FRS 112	Disclosures of Interests on Other Entities	1 January 2013 & 2014
FRS 113	Fair value Measurements	1 January 2013

Consequential amendments were also made to various standards as a result of these new or revised standards.

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as described below:

i) FRS 1 – Presentation of Items of Other Comprehensive Income (Amendments)

The amendment states that the presentation of items included in other comprehensive income will be separated and presented on one of two groups:

- Items which will be classified in the future, to profit or loss.
- Items that would not be classified in the future to profit or loss.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

i) FRS 1 – Presentation of Items of Other Comprehensive Income (Amendments) – cont'd

The amendment also states that in the event that the items of the other comprehensive income are presented before tax effect, the tax effect will be presented separately with respect to each of the groups.

The amendment will be applied retrospectively for annual periods beginning on or after 1 July 2012 with full retrospective application. Early adoption is permitted.

ii) FRS 32 – Amendments to FRS 32 – Disclosures Offsetting of Financial Assets and Financial Liabilities

The amendments to FRS 32 requires entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting arrangement of similar arrangement. The amendments to FRS 32 are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. The amended offsetting disclosures are required for annual period beginning on or after 1 January 2014 and interim periods within those annual periods. The disclosure should be provided retrospectively for comparative periods.

iii) FRS 107 – Financial Instruments – Offsetting of Financial Asset and Financial Liabilities

The amendments to FRS 107 offsetting of Financial Assets and Financial Liabilities clarify existing application issues to the offsetting requirements. Specially, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement".

The amendments to FRS 107 are effective for annual periods beginning on or after 1 January 2013, with retrospective application required.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

iv) FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The company is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact on the financial position and financial performance of the company when implemented.

v) FRS 113 Fair Value Measurement

FRS 113 is a single new standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other standards, with the exception of measurement dealt with under FRS 102 Share-based Payment, FRS 17 Leases, and net realisable value in FRS 2 Inventories and value-in-use in FRS 36 Impairment of Assets.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other standards regarding which items should be measured or disclosed at fair value.

The disclosure requirements in FRS 113 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 107 Financial Instruments: Disclosures will be extended by FRS 113 to cover all assets and liabilities within its scope.

FRS 113 will be effective prospectively from annual periods beginning on or after 1 January 2013. Comparative information is not required for periods before initial application.

The company is currently estimating the effects of FRS 113 in the period of initial adoption.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

c) Improvements to FRSs issued in 2012

Improvements to FRSs 2012 will become effective for the company's financial statements for the year ending 31 December 2013. The improvement contain amendments to accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The improvements to FRS that are relevant to the company are as follows:

Improvements to FRSs issued in 2012

<u>Description</u>	<u>Subject of Amendments</u>
FRS 1 – Presentation of Financial Statements	Clarification of requirements for comparative information
FRS 16 – Property, Plant and Equipment	Classification of servicing Equipment
FRS 32 – Financial Instruments: Presentation	Tax effects of distribution to holder of equity instruments

i) Amendment to FRS 1 – Presentation of Financial Statements

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third statement of financial position either as required by FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors or voluntarily.

FRS 1 requires entity that changes accounting policies retrospectively, or makes a restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to FRS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

ii) Amendments to FRS 32 – Financial Instruments: Presentation

The amendment clarifies the treatment of income tax relating to distributions and transactions costs. Income tax related to distributions is recognised in the income statement, and income tax related to the costs of equity transactions is recognised in equity.

The management does not anticipate that the improvements to FRSs in 2012 will not have a significant effect on the financial statements.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.3. Impairment of Non-financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.4. Foreign currency transactions and translations

a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be Singapore dollars ("SGD"). Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD. The financial statements are presented in SGD, which is the functional currency of the Company.

b) Foreign Currency Transactions

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profits for the period. Taxable profits differ from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward on unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary differences arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is not longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income 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 to the period 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 the reporting period.

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

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.6. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the company's activities.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

a) Service income

Income from the rendering of professional services, which are of short term duration, is recognised when the services are rendered.

2.7. Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of past events, it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-taxation rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.8. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

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

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.9. Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Financial Assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

a) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

b) Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "trade and other receivables" and "cash and bank balances" on the statements of financial position.

i) Bank balance

Bank balance comprises cash at bank and on hand those are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

b) Loan and receivables – cont'd

ii) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

c) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

d) Derecognition of financial assets

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

3.2. Equity and Financial Liabilities

Classification as equity or debts

Equity instruments issued by the company and financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability. Financial liabilities are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial statements.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

b) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period.

c) Financial liabilities

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity and Financial Liabilities – cont'd

Classification as equity or debts – cont'd

d) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where 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 respectively carrying amounts is recognised in profit or loss.

e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical judgement in applying the company's accounting policies

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical judgement in applying the company's accounting policies

i) Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the economic environment in which the company operate and process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

b) Key sources of estimation uncertainty

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

i) Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the financial assets at the end of the reporting period is disclosed in various notes to the financial statements.

ii) Provisions

Provisions are recognized in accordance with the accounting policy in Note 2.7 To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

iii) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE

5.1. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors' meets periodically to analyse, formulate and monitor the risk management of the company and of the company.

The company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, monitoring and reporting of risk profile.

a) Categories of financial assets and liabilities

The categories of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

Financial assets and liabilities

	<u>2013</u>
	S\$
Financial assets	
Trade and other receivables	147,600
Cash and bank balance	1,028
	<u>148,628</u>
Financial liabilities	
Other payables	<u>43,332</u>

Further quantitative disclosures are included throughout these financial statements.

b) Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to company resulting in a loss to the company.

i) Trade receivables

The company's significant concentration of credit risk is limited to few counterparties. The company's trade receivables related to services rendered to a related party. The company manages these risks by application of credit approvals, credit limits and monitoring procedures. Credit is extended to the existing and new customers based upon careful evaluation of the customers' financial condition and credit history.

PRICOL ASIA PTE. LIMITED PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

ii) Bank balances

The company's bank balances as detailed in Note 7 to the financial statements, are held in major financial institutions which are regulated and located in Singapore, which the management believes are of high credit quality. The management does not expect any losses arising from non-performance by these counterparties. The main purpose of these financial instruments is to finance the company's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors' resolutions, with banking mandates which define the permitted financial instruments and facilities limits, all of which are approved by the Board of Directors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the company.

Financial assets that are past due and/or impaired

There is no other class of financial assets that are past due and/or impaired.

c) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances to support their business activities on timely basis. Internally generated cash flow during the year is the general source of funds to finance the operation of the company. The company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The company also maintains a balance between continuity of accounts receivables collectibility and flexibility through the use of accounts payables.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Liquidity risk management– cont'd

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of each reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

2013	Effective interest rate (%)	Within 1 year or repayable on demand S\$	Total S\$
Financial liabilities			
Other payables	-	43,332	43,332

d) Fair value of financial assets and financial liabilities

The carrying amounts of trade and other receivables, bank balances and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

i) Estimation of fair value

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models and other models as appropriate.

Management has determined that the carrying amounts of trade and other receivables, bank balances, other payables and based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

ii) Fair value measurement

The fair value of other clause of financial assets and liabilities are disclosed in the respective notes to financial statements. The company does not anticipate that the carrying amounts recorded at the end of reporting period would significantly different from the values that would eventually be received or settled.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.2. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables less cash and bank balance. Total capital is calculated as equity plus net debt.

	<u>2013</u> S\$
Other payables	43,332
Less: Cash and bank balance	<u>(1,028)</u>
Net debt	42,304
Capital deficiency	<u>100,264</u>
Total capital	<u>142,568</u>
Gearing ratio	<u>30%</u>

The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company mainly consists of equity and net debt. The Company's overall strategic remains unchanged during the financial period.

6. HOLDING COMPANY AND RELATED PARTIES

Holding and ultimate holding company

The company is the subsidiary of Pricol Limited, incorporated in India, which is also the company's ultimate holding company.

Related Parties

FRS 24 defines a related party as an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family or any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The definition includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. HOLDING COMPANY AND RELATED PARTIES – cont'd

Related Parties – cont'd

a) Related companies:

Related companies in these financial statements include the members of the holding and ultimate holding companies. These are transactions and arrangements between the company and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured repayable on demand and interest free unless stated otherwise. For financial guarantees a fair value is imputed and is recognised accordingly if significant where no charge is payable.

b) Other related parties:

There are transactions and arrangements between the company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured interest free and repayable on demand.

Some of the company's transactions and arrangements are between members of the holding and ultimate holding company and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest free and repayable on demand.

Significant transactions with subsidiaries and with a related party:

	<u>2013</u> S\$
<u>Transactions with a related party</u>	
Service income	<u>147,600</u>

7. TRADE AND OTHER RECEIVABLES

	<u>2013</u> S\$
Trade receivables – external parties	147,600
Other current asset - prepayments	<u>3,761</u>
	<u>151,361</u>

Trade receivables are non-interest bearing and generally up to 180 days' credit term. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The company's trade receivables are neither past due nor impaired at the end of the reporting period.

The carrying amounts of trade and other receivables, which approximate their fair value, are denominated in United States dollars.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. BANK BALANCE

	<u>2013</u> S\$
Cash at bank	<u>1,028</u>

Bank balances comprise short-term bank deposits with an original maturity of three months or less. Cash at bank earn interest at floating rates based on daily bank deposit rates.

The carrying amount of cash and bank balances approximate their fair value.

9. SHARE CAPITAL

	<u>2013</u> Number of ordinary shares	<u>2013</u> S\$
<u>Issued and fully paid:</u> At the date of incorporation and end of period	<u>500</u>	<u>607</u>

At the date of incorporation, the company issued 500 ordinary shares at US\$1.00 per share for cash to the subscriber to the Memorandum of Association of the company.

The fully paid ordinary shares which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

10. OTHER PAYABLES

	<u>2013</u> S\$
Director	2,793
Accrued expenses	20,315
Others	<u>20,224</u>
	<u>43,332</u>

The amount due to a director is unsecured, interest free and repayable on demand.

The carrying amounts of other payables approximate their fair value.

11. REVENUE

Revenue represents invoiced value of services rendered.

PRICOL ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

12. INCOME TAX EXPENSES

27 Aug 2012
To
31 Mar 2013
S\$

Current period's provision

8,793

Reconciliation between the tax benefits and the product of accounting profit multiplied by the applicable tax rate is as follows:

27 Aug 2012
To
31 Mar 2013
S\$

Profit for the year

108,450

Income tax benefit at statutory rate of 17%

18,437

Tax effect:

- partial tax exemptions

(9,644)

8,793

13. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 27 August 2012 (date of incorporation) to 31 March 2013. This being the first set of financial statements, there are no comparative figures.

14. SUBSEQUENT EVENTS

No items, transactions or events of material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the company for the succeeding financial period.

PRICOL ASIA PTE. LIMITED

DETAILED PROFIT AND LOSS STATEMENT

FOR THE FINANCIAL PERIOD FROM 27 AUGUST 2012 (DATE
OF INCORPORATION) TO 31 MARCH 2013

	27 Aug 2012 To 31 Mar 2013 S\$
Revenue	147,600
Less: Administrative expenses	
Auditors' remuneration	4,000
Bank charges	197
Legal and professional fee	12,554
Travelling expenses	22,399
	<u>(39,150)</u>
Profit for the period	<u>108,450</u>

This schedule does not form part of the statutory financial statements.