
INNOVATION PACIFIC SINGAPORE PTE. LTD.
(Company Registration No. 201539060Z)

Financial Statements For The Period Ended March 31, 2016

Innovation Pacific Singapore Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Ajay Bhagat	(Appointed w.e.f date of incorporation)
Do Thi Yen	(Appointed w.e.f date of incorporation)
Ang Sin Beng, Derrick	(Appointed w.e.f date of incorporation)
Sajjan Bhajanka	(Appointed on 28.12.2015)
Sanjay Agarwal	(Appointed on 28.12.2015)
Ajay Baldawa	(Appointed on 28.12.2015)
Keshav Bhajanka	(Appointed on 28.12.2015)

Secretary

Leow Chiap Seng	(Appointed w.e.f date of incorporation)
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Registered Office

10 Anson Road
#27-02 International Plaza
Singapore 079903

Auditors

Natarajan & Swaminathan
Chartered Accountants of Singapore
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

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Innovation Pacific Singapore Pte. Ltd.

Directors' Statement

For the financial period ended March 31, 2016

The directors present this statement to the members together with the audited financial statements of the Company for the financial period ended March 31, 2016.

1 Directors

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

Ajay Bhagat
Do Thi Yen
Ang Sin Beng, Derrick
Sajjan Bhajanka
Sanjay Agarwal
Ajay Baldawa
Keshav Bhajanka

2 Arrangements to enable directors to acquire shares and debentures

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

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial period had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

<u>Name of director</u>	<u>At beginning of period</u>	<u>At end of period</u>
<i>Company</i>		
<i>Number of ordinary shares</i>		
Ajay Bhagat	100,000	220,000

4 Share options

During the financial period, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company;
and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

Innovation Pacific Singapore Pte. Ltd.

Directors' Statement

For the financial period ended March 31, 2016

5 Auditors

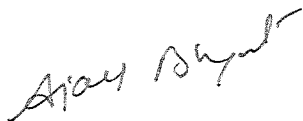
The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

6 Directors' opinion

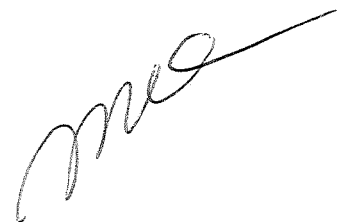
In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2016 and the financial performance, changes in equity and cash flows of the Company for the financial period ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards; 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.

On behalf of the board of directors



Ajay Bhagat



Do Thi Yen

Date: April 12, 2016

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INNOVATION PACIFIC SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of INNOVATION PACIFIC SINGAPORE PTE. LTD., which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INNOVATION PACIFIC SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)

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

Opinion

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.


Natarajan & Swaminathan
Public Accountants and Chartered Accountants Singapore

Date: April 12, 2016

Innovation Pacific Singapore Pte. Ltd.

Statement of Financial Position

As at March 31, 2016

	Note	31.03.2016	18.01.2016
		US\$	US\$
Assets			
Non-current assets			
Plant and equipment	3	2,071	-
Total non-current assets		<u>2,071</u>	<u>-</u>
Current assets			
Trade receivables	4	579,010	218,210
Other receivables	5	19,854	350
Cash and bank balances	6	133,083	99,647
Total current assets		<u>731,947</u>	<u>318,207</u>
Total assets		<u>734,018</u>	<u>318,207</u>
Equity and liabilities			
Equity			
Share capital	7	321,426	71,587
Accumulated profits		7,383	8,749
Total equity		<u>328,809</u>	<u>80,336</u>
Current liabilities			
Trade payables and accruals	8	396,780	203,895
Other payables	9	8,429	33,976
Total current liabilities		<u>405,209</u>	<u>237,871</u>
Total liabilities		<u>405,209</u>	<u>237,871</u>
Total equity and liabilities		<u>734,018</u>	<u>318,207</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Innovation Pacific Singapore Pte. Ltd.

Statement of Comprehensive Income

For the financial period ended March 31, 2016

	Note	19.01.2016 to 31.03.2016 US\$	28.10.2015 to 18.01.2016 US\$
Revenue	10	674,167	218,210
Cost of sales		(628,658)	(203,895)
Gross profit		45,509	14,315
Other income	11	2,797	-
Selling and distribution expenses		(20,096)	(4,271)
Other operating expenses		(29,576)	(1,295)
(Loss)/Profit before income tax	12	(1,366)	8,749
Income tax expense	13	-	-
(Loss)/Profit after income tax		(1,366)	8,749
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		(1,366)	8,749

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Innovation Pacific Singapore Pte. Ltd.

Statement of Changes in Equity

For the financial period ended March 31, 2016

	Note	Share capital	Accumulated profits	Total
		US\$	US\$	US\$
Balance as at 28.10.2015 (Date of incorporation)		71,587	-	71,587
Total comprehensive income for the period		-	8,749	8,749
Balance as at 18.01.2016		71,587	8,749	80,336
Issue of shares	7	249,839	-	249,839
Total comprehensive loss for the period		-	(1,366)	(1,366)
Balance as at 31.03.2016		321,426	7,383	328,809

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Innovation Pacific Singapore Pte. Ltd.

Statement of Cash Flows

For the financial period ended March 31, 2016

	31.03.2016	18.01.2016
	US\$	US\$
Cash flows from operating activities		
(Loss)/Profit before income tax	(1,366)	8,749
Adjustments for:		
Depreciation of plant and equipment	88	-
Operating (loss)/profit before working capital changes	(1,278)	8,749
Trade receivables	(360,800)	(218,210)
Other receivables	(19,504)	(350)
Trade payables and accruals	192,885	203,895
Other payables	679	939
Net cash used in operating activities	(188,018)	(4,977)
Cash flows from investing activities		
Purchase of plant and equipment	(2,159)	-
Net cash used in financing activities	(2,159)	-
Cash flows from financing activities		
Proceeds from issue of shares	249,839	71,587
Other payables - directors	(26,226)	33,037
Net cash from financing activities	223,613	104,624
Net increase in cash and cash equivalents	33,436	99,647
Cash and cash equivalents brought forward	99,647	-
Cash and cash equivalents carried forward	133,083	99,647
Cash and cash equivalents comprise:-		
Cash at banks	133,001	99,647
Cash in hand	82	-
	133,083	99,647

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

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

1 Corporate information

The Company (Registration No: 201539060Z) is a private limited Company incorporated and domiciled in Singapore.

The registered and administrative of the Company is located at 10 Anson Road, #27-02 International Plaza, Singapore 079903.

The principal activities of the Company are in the business of wholesale of logs, sawn timber, plywood and related products.

There have been no significant changes in the nature of these activities since date of incorporation.

Holding company

The Company is a subsidiary of **"Century Plyboards (India) Limited"**, a listed company incorporated in India, which is also the ultimate holding company.

2 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, Cap 50. The financial statements are expressed in United States Dollar (US\$), and are prepared under the historical cost convention except as disclosed in the accounting policies below.

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 assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

The financial statements are prepared for the purpose of consolidation upon request by the management of holding company for the period from January 19, 2016, being the date on which holding company acquired equity interest in the Company, to March 31, 2016. The Company has prepared another set of financial statements for statutory purposes from October 28, 2015, being the date of incorporation to March 31, 2016.

The Company adopted the new or revised FRS that is mandatory for application on that date.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

2 Significant accounting policies (Cont'd)

b) Critical judgement in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgement (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Allowance for trade and other receivables

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

c) Foreign currency transactions

(i) Functional currency

The functional currency of the Company is United States Dollar, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Transactions in currencies other than in United States Dollar (US\$) are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the profit or loss for the period.

d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

2 Significant accounting policies (Cont'd)

d) Plant and equipment (Cont'd)

Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over its estimated useful life at the following annual rates:

Computers - 33.33%

f) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible 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). When 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 greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using 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 (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 profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When 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 impairment loss is recognised immediately in profit or loss 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.

g) Financial instruments

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

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

2 Significant accounting policies (Cont'd)

g) Financial instruments (Cont'd)

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 basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Financial assets are classified as one of the financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Recognition

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at the time of initial recognition, and where allowed and appropriate, re-evaluates this designation at each financial period end.

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

As of period end the Company has the following classes of financial assets:-

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as "trade and other receivables" and "cash and bank balances" on the statement of financial position. They are presented as current assets, except for those maturities later than 12 months after the financial position date, which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. For short term receivables the nominal cost would approximate the fair value.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

2 Significant accounting policies (Cont'd)

g) Financial instruments (Cont'd)

Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. 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 financial assets 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 receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if any, 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 investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition

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 assets, 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.

Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interest-bearing loans and borrowings.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

2 Significant accounting policies (Cont'd)

g) Financial instruments (Cont'd)

Financial liabilities (Cont'd)

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for finance costs.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expire.

h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at banks and cash in hand.

i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of value added tax, rebates, discounts and sales returns.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:-

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue represents invoiced value of goods less returns and discounts.

j) Employee benefits

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same period to which the contribution relates.

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

2 Significant accounting policies (Cont'd)

j) Employee benefits (Cont'd)

Retirement benefit costs (Cont'd)

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

k) Income tax

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

3 Plant and equipment

	<u>Computer</u>
	US\$
Cost	
At January 19, 2016	-
Additions	2,159
At March 31, 2016	<u>2,159</u>
Depreciation	
At January 19, 2016	-
Charge for the period	88
At March 31, 2016	<u>88</u>
Net book value	
At March 31, 2016	<u><u>2,071</u></u>

4 Trade receivables

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Outside parties	546,725	218,210
Holding company	32,285	-
	<u><u>579,010</u></u>	<u><u>218,210</u></u>

The average credit period is 30 days to 60 days. No interest is charged on the trade receivables due from outside parties and holding company.

The table below is an analysis of trade receivables aging as at March 31, 2016;

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Not past due	<u><u>579,010</u></u>	<u><u>218,210</u></u>

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

5 Other receivables

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Sundry receivable	7,004	-
Advances	12,850	350
	<u>19,854</u>	<u>350</u>

The other receivables that are not denominated in United States Dollar are as follows:-

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Singapore Dollar	7,354	350

6 Cash and bank balances

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Cash at banks	133,001	99,647
Cash in hand	82	-
	<u>133,083</u>	<u>99,647</u>

The cash and bank balances that are not denominated in United States Dollar are as follows:-

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Singapore Dollar	114,707	98,147

7 Share capital

	<u>31.03.2016</u>	<u>31.03.2016</u>	<u>18.01.2016</u>	<u>18.01.2016</u>
	No. of shares issued	US\$	No. of shares issued	US\$
Ordinary shares issued and fully paid				
Balance at beginning of period	100,000	71,587	100,000	71,587
Shares issued	349,000	249,839	-	-
Balance at end of period	<u>449,000</u>	<u>321,426</u>	<u>100,000</u>	<u>71,587</u>

100,000 ordinary shares were issued for a cash consideration of US\$71,587 (S\$100,000) to the Subscriber to the Memorandum of Association.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

7 Share capital (Cont'd)

During the period, the Company had issued 349,000 shares for a cash consideration of US\$249,839 (S\$349,000).

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 and have no par value.

8 Trade payables and accruals

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Trade payables	394,469	203,895
Accrued expenses	2,311	-
	<u>396,780</u>	<u>203,895</u>

The trade payables and accruals that are not denominated in United States Dollar are as follows:-

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Singapore Dollar	2,311	-

9 Other payables

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Directors	6,811	33,037
Withholding tax	1,618	939
	<u>8,429</u>	<u>33,976</u>

The amount due to directors are unsecured, interest free and repayable on demand.

The other payables that are not denominated in United States Dollar are as follows:-

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Singapore Dollar	7,355	32,476

10 Revenue

	<u>19.01.2016</u> to <u>31.03.2016</u>	<u>28.10.2015</u> to <u>18.01.2016</u>
	US\$	US\$
Sale of goods	<u>674,167</u>	<u>218,210</u>

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

11 Other income

	19.01.2016 to 31.03.2016	28.10.2015 to 18.01.2016
	US\$	US\$
Foreign exchange gain	<u>2,797</u>	-

12 (Loss)/Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income instatement, this item includes the following charges/(credits):-

	19.01.2016 to 31.03.2016	28.10.2015 to 18.01.2016
	US\$	US\$
Cost of inventories included in cost of sales	612,558	203,895
Foreign exchange gain	(2,797)	-
Directors' remuneration	17,793	4,271
Staff welfare	2,303	-
Depreciation of plant and equipment	<u>88</u>	-

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	19.01.2016 to 31.03.2016	28.10.2015 to 18.01.2016
	US\$	US\$
Salaries and other employee benefits	<u>20,096</u>	<u>4,271</u>

13 Income tax expense

No provision for income tax has been made in view of the Company's loss position.

Deferred tax has not been recognised as the amounts involved are not significant.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

14 Holding company transactions

Some of the Company's transactions and arrangement are with holding company and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

During the period, the Company entered into the following transactions:

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Sales	<u>112,606</u>	-

15 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Financial assets		
Loans and receivables	<u>731,947</u>	<u>318,207</u>

Loans and receivables under financial assets comprise trade receivables, other receivables and cash and bank balances.

	<u>31.03.2016</u>	<u>18.01.2016</u>
	US\$	US\$
Financial liabilities		
Amortised cost	<u>403,591</u>	<u>236,932</u>

Amortised cost under financial liabilities comprises trade payables and accruals and other payables.

(b) Fair value measurements

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

15 Financial instruments, financial and capital risk management (Cont'd)

(b) Fair value measurements (Cont'd)

The financial assets and liabilities of the Company comprise trade receivables, other receivables, cash and bank balances, trade payables and accruals and other payables. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

(c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimise potential adverse effects of financial performance of the Company. Each of these risks are summarised below:

Interest risk

The Company has no significant exposure to market risk for changes in interest rates as it has no borrowings from any external sources with variable interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk. It maintains a level of cash and bank balances that is sufficient for working capital purposes.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount	Cash flows		
		Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US\$	US\$	US\$	US\$
<u>31.03.2016</u>				
Non-derivative financial liabilities				
Trade and other payables	<u>403,591</u>	<u>(403,591)</u>	<u>(403,591)</u>	<u>-</u>
<u>18.01.2016</u>				
Non-derivative financial liabilities				
Trade and other payables	<u>236,932</u>	<u>(236,932)</u>	<u>(236,932)</u>	<u>-</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

15 Financial instruments, financial and capital risk management (Cont'd)

(c) Financial risk (Cont'd)

Credit risk (Cont'd)

As at statement of financial position date, the Company has no significant concentration of credit risk in relation to any external parties. Further details of credit risks on trade receivables are disclosed in **Note 4** to the financial statements.

Cash at banks are placed with credit worthy financial institutions.

The carrying amount of the Company's trade receivables, other receivables and cash and bank balances represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Foreign currency risk

The Company has no significant exposure to foreign currency risk as its transactions and balances are mainly denominated in its functional currency.

The Company, however has some balances denominated in Singapore Dollar, which are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

Any increase or decrease in the Singapore Dollar against the United States Dollar will have a minimal impact on the financial statements. An increase in 10% in the Singapore Dollar rate, will increase the profit before tax by US\$11,000 (18.01.2016: increase the profit before tax by US\$6,000) and a similar decrease in the Singapore Dollar rate will correspondingly decrease the profit before tax by a similar amount. The effect of fluctuation in the other foreign currencies will have no or very minimal impact on the results of the Company.

In management's opinion the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the period end exposure does not reflect the exposure during the period.

Price risk

The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of cash and cash equivalents and shareholders' equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

Innovation Pacific Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial period ended March 31, 2016

16 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

	Effective from annual periods beginning on or after
FRS 1 (Amendments) : Disclosure Initiative	January 1, 2016
FRS 7 (Amendments) : Disclosure Initiative	January 1, 2017
FRS 12 (Amendments) : Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017
FRS 16/ (Amendments) : Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
FRS 38	
FRS 109 : Financial Instruments	January 1, 2018
FRS 115 (Amendments) : Revenue from Contracts with Customers	January 1, 2018

Improvements to FRSs

FRS 19 (Amendments) : Employee Benefits	January 1, 2016
FRS 107 (Amendments) : Financial Instruments: Disclosures	January 1, 2016

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

17 Comparative figures

The financial statements are made for the period from January 19, 2016 (being the date of acquisition by the holding company) to March 31, 2016. The comparative figures are made for the period from October 28, 2015 (being the date of incorporation) to January 18, 2016. Hence the comparative amounts may not be entirely comparable.

18 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on April 12, 2016.

Innovation Pacific Singapore Pte. Ltd.

The Accompanying Supplementary Detailed Income

Statement Has Been Prepared For Management Purposes Only

And Does Not Form Part Of The Audited Financial Statements

Innovation Pacific Singapore Pte. Ltd.

Detailed Income Statement

For the financial period ended March 31, 2016

	19.01.2016 to 31.03.2016	28.10.2015 to 18.01.2016
	US\$	US\$
Revenue		
Sale of goods	674,167	218,210
Cost of sales		
Purchases	(612,558)	(203,895)
Freight charges	(16,100)	-
Gross profit	(628,658)	(203,895)
	45,509	14,315
Other income		
Foreign exchange gain	2,797	-
Selling and distribution expenses		
Directors' remuneration	(17,793)	(4,271)
Staff welfare	(2,303)	-
	(20,096)	(4,271)
Other operating expenses		
Audit fees	(2,175)	-
Bank charges	(4,361)	(42)
Depreciation of plant and equipment	(88)	-
General expenses	(4,814)	(67)
Postage and courier	(114)	(26)
Printing and stationery	(65)	(152)
Legal and professional fees	(2,191)	(643)
Subscription charges	(322)	-
Telecommunication	(365)	(236)
Transportation	(784)	(8)
Travelling	(14,297)	(121)
	(29,576)	(1,295)
(Loss)/Profit before income tax	(1,366)	8,749
Income tax expense		
- Current period	-	-
(Loss)/Profit after income tax	(1,366)	8,749
Other comprehensive income	-	-
Total comprehensive (loss)/income for the period	(1,366)	8,749

Not Part Of Audited Financial Statements