ION EXCHANGE ASIA PACIFIC PTE. LTD.

(Company Registration No. 200410162D)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

The following information is intended only for the shareholder and not for filing with any Authority.

Shareholder	Address	No. of ordinary shares As at 1/4/2017	As at 31/3/2018
Ion Exchange (India) Limited	Ion House Dr. E. Moses Road Mahalaxmi Mumbai 400 011 India	2,603,211	2,603,211

Engagement and sign-off partner: Ang Su Chau

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

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ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

We are pleased to present this statement to the member of the Company together with the audited financial statements for the financial year ended 31 March 2018.

In our opinion,

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Mahabir Prasad Patni
Ankur Patni (alternate director to Mahabir Prasad Patni)
Rajesh Sharma
Dinesh Sharma (alternate director to Rajesh Sharma)
Anil Manocha

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

SHARE OPTIONS

During the financial year, there were:

(i) no options granted to subscribe for unissued shares of the Company, and

(ii) no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

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

AUDITOR

The auditor, Singapore Assurance PAC, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors

M Patni

Mahabir Prasad Patni
Director

Rajesh Sharma
Director

Singapore
11 JUN 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ion Exchange Asia Pacific Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 1 and 2), but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

SINGAPORE ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
11 June 2018

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 USD	Restated 2017 USD
ASSETS			
Non-current assets			
Plant and equipment	(4)	579	1,115
Investments in associates	(5)	-	-
Investments in subsidiaries	(6)	142,500	142,500
		143,079	143,615
Current assets			
Trade receivables	(7)	1,891,976	2,065,000
Other receivables	(8)	383,560	517,207
Fixed deposits	(9)	202,610	320,956
Bank balances		165	61,124
		2,478,311	2,964,287
Total assets		2,621,390	3,107,902
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	(10)	1,977,037	1,977,037
Accumulated losses		(1,745,339)	(1,528,664)
		231,698	448,373
Current liabilities			
Trade and other payables	(11)	2,072,137	2,263,546
Amount due to holding company	(12)	175,000	155,000
Amount due to a subsidiary	(13)	142,500	142,500
Bank overdraft, secured	(14)	55	98,483
		2,389,692	2,659,529
Total equity and liabilities		2,621,390	3,107,902

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 USD	2017 USD
Revenue	(15)	1,079,673	1,513,055
Cost of sales		(714,701)	(1,332,937)
Gross profit		364,972	180,118
Other income	(16)	6,922	18,895
Distribution costs		(18,460)	(81,046)
Administrative expenses		(2,342)	(8,582)
Other expenses		(545,622)	(504,669)
Finance costs	(17)	(22,145)	(16,924)
Loss before income tax	(18)	(216,675)	(412,208)
Income tax	(19)	-	-
Loss for the financial year		(216,675)	(412,208)
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		(216,675)	(412,208)

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Share capital USD	Accumulated losses USD	Total USD
Balance at 1 April 2016	1,977,037	(1,116,456)	860,581
Loss for the financial year, representing total comprehensive income for the financial year	-	(412,208)	(412,208)
Balance at 31 March 2017	1,977,037	(1,528,664)	448,373
Loss for the financial year, representing total comprehensive income for the financial year	-	(216,675)	(216,675)
Balance at 31 March 2018	1,977,037	(1,745,339)	231,698

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	2018 USD	2017 USD
Cash flows from operating activities		
Loss before income tax	(216,675)	(412,208)
Adjustments for:		
Depreciation of plant and equipment	536	391
Impairment losses on investments in associates	-	49,000
Impairment losses on investment in subsidiary	-	84,102
Interest expense	22,145	16,924
Interest income	(6,922)	(5,157)
Operating loss before working capital changes	(200,916)	(266,948)
Changes in working capital:		
Trade and other receivables	311,435	22,135
Trade and other payables	(191,409)	182,360
Cash used in operations	(80,890)	(62,453)
Interest paid	(1,545)	(1,424)
Net cash used in operating activities	(82,435)	(63,877)
Cash flows from investing activities		
Fixed deposits, pledged	118,346	(573)
Interest income	2,158	1,282
Acquisition of investments in subsidiaries	-	(171,600)
Purchase of plant and equipment	-	(1,298)
Net cash from/(used in) investing activities	120,504	(172,189)
Cash flows from financing activities		
Amount due to holding company	20,000	155,000
Amount due to a subsidiary	-	142,500
Interest paid	(20,600)	(15,500)
Net cash (used in)/from financing activities	(600)	282,000
Net increase in cash and cash equivalents	37,469	45,934
Cash and cash equivalents at beginning of the financial year	(37,359)	(83,293)
Cash and cash equivalents at end of the financial year	110	(37,359)
Cash and cash equivalents at end of the year comprise:		
Bank balances	165	61,124
Fixed deposits (Note 9)	202,610	320,956
	202,775	382,080
Less:		
Bank overdraft, secured (Note 14)	(55)	(98,483)
Fixed deposits pledged with the bank (Note 9)	(202,610)	(320,956)
	110	(37,359)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

The financial statements were authorised for issue by the Board of Directors on the date of the Directors' Statement.

1. CORPORATE INFORMATION

The Company is incorporated and domiciled in the Republic of Singapore.

The registered office of the Company is located at 11 Irving Place, Tai Seng Point, #09-02, Singapore 369551.

The principal place of business is located at 21 Bukit Batok Crescent, #26-84 WCEGA Tower, Singapore 658065.

The principal activities of the Company are the supply of water treatment plants, waste treatment and oilfield chemicals.

The Company is a wholly owned subsidiary of Ion Exchange (India) Limited, a company incorporated in India and listed on the Mumbai Stock Exchange, which is also the ultimate holding company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention.

2.3 Functional and presentation currency

The financial statements are presented in United States Dollar (USD), which is the Company's functional currency. All financial information is presented in United States Dollar, unless otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(i) Judgments made in applying accounting policies

Determination of functional currency
In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that (i) 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; (ii) funds from financing activities are generated; and (iii) receipts from operating activities are usually retained.

(ii) 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 are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of loans and receivables
The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Company's trade and other receivables as at 31 March 2018 are disclosed in Notes 7 and 8 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

(i) Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the loans and receivables category.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, fixed deposits and cash and cash equivalents.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables, and amounts due to holding company and a subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of plant and equipment, and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another assets. Leased assets are depreciated over the shortest of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Computers	3 years
Office equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Basis of non-consolidation

The Company has not prepared one set of financial statements of the Company and its subsidiary as:

(i) The Company is a wholly owned subsidiary of Ion Exchange (India) Limited, a company incorporated in India and listed on the Mumbai Stock Exchange;

(ii) The Company's equity instruments are not traded in a public market;

(iii) The Company did not file, nor is in the process of filing its financial statements for the purpose of issuing any class of instruments in a public market; and.

(iv) The holding company, Ion Exchange (India) Limited, whose registered office is Ion House, Dr. E. Moses Road, Mahalaxmi Mumbai 400011 India, produces consolidated financial statements.

3.6 Subsidiary

Investments in subsidiary is accounted for at cost less impairment losses, if any. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are accounted for at cost less impairment losses.

3.7 Associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Company holds 20% or more of the voting power of another entity.

Investments in associates are accounted for at cost less impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Associates (cont'd)

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.8 (ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, and adverse changes in the payment status of borrowers, economic conditions that correlate with defaults. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at a specific asset level. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Employee benefits (cont'd)

(ii) Short-term employee benefits (cont'd)

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

(i) Sales of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

3.12 Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any material effect on the financial statements.

3.15 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. The Company is currently assessing the potential impact of adopting these standards and interpretations, on the financial statements of the Company. None of these are expected to have a significant effect on the financial statements of the Company, except for FRS 115. The nature of the impending changes in accounting policy on adoption of FRS 115 is described below.

FRS 115 Revenue from Contracts with Customers effective for annual periods beginning on or after 1 January 2018 replaces FRS 11, FRS 18 and their interpretations (INT FRS 31, 113, 115 and 118). It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g., the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.). The management anticipate that FRS 115 will be adopted in the financial statements when it becomes mandatory and that the application of the new standard might have a significant effect on amounts reported in respect of the revenue. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

4. PLANT AND EQUIPMENT

	Computers	Office equipment	Total
	USD	USD	USD
Cost			
Balance at 1/4/2016	311	1,095	1,406
Additions	1,298	-	1,298
Balance at 31/3/2017 and 31/3/2018	1,609	1,095	2,704

4. PLANT AND EQUIPMENT (CONT'D)

	Computers USD	Office equipment USD	Total USD
Accumulated Depreciation			
Balance at 1/4/2016	103	1,095	1,198
Depreciation	391	-	391
Balance at 31/3/2017	494	1,095	1,589
Depreciation	536	-	536
Balance at 31/3/2018	1,030	1,095	2,125
Net Carrying Amount			
Balance at 31/3/2017	1,115	-	1,115
Balance at 31/3/2018	579	-	579

5. INVESTMENTS IN ASSOCIATES

	2018 USD	2017 USD
Unquoted equity shares		
Balance at beginning and end of the financial year	143,574	143,574
Less: Impairment losses		
Balance at beginning of the financial year	143,574	94,574
Additions	-	49,000
Balance at end of the financial year	143,574	143,574
	-	-

The details of associates are as follows:

Name of companies	Principal activities	incorporation	interest 2018 %	interest 2017 %
IEI Water - Tech (M) Sdn. Bhd.	Providing new and improved engineering technical services in the water supply industry	Malaysia	30	30

5. INVESTMENTS IN ASSOCIATES (CONT'D)

The details of associates are as follows: (cont'd)

Name of companies	Principal activities	incorporation	interest 2018 %	2017 %
Ion exchange PSS Ltd	Providing new and improved engineering technical services in the water supply industry	Thailand	49	49

6. INVESTMENTS IN SUBSIDIARIES

	2018 USD	Restated 2017 USD
Unquoted equity shares		
Balance at beginning of the financial year	226,602	55,002
Additions	-	171,600
Balance at end of the financial year	226,602	226,602
Less: Impairment losses		
Balance at beginning of the financial year	84,102	-
Additions	-	84,102
Balance at end of the financial year	84,102	84,102
	142,500	142,500

The details of subsidiary are as follows:

Name of subsidiary	Principal activities	Place of incorporation and place of business	Ownership interest 2018 %	2017 %
Ion Exchange Asia Pacific Thailand Ltd.	Providing new and improved engineering technical services in the water supply industry	Thailand	100	100

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of subsidiary are as follows:

Name of subsidiary	Principal activities	Place of incorporation and place of business	Ownership interest 2018 %	Ownership interest 2017 %
PT Ion Exchange Asia Pacific	Providing new and improved engineering technical services in the water supply industry	Indonesia	95	95

7. TRADE RECEIVABLES

	2018 USD	2017 USD
Trade receivables:		
- Associates	416,313	416,313
- Subsidiary	50,000	104,264
- Related company	64,642	64,642
- Holding company	180,660	110,660
- Third parties	1,093,792	1,097,002
	1,805,407	1,792,881
Less: Allowance for doubtful debts		
Balance at beginning of the financial year	(305,996)	(305,996)
Allowance made	(241,672)	-
Written off	42,263	-
Balance at beginning of the financial year	(505,405)	(305,996)
	1,300,002	1,486,885
Retention sum - Third parties	591,974	578,115
	1,891,976	2,065,000

The trade receivables are generally non-interest bearing, unsecured and generally on 30 days' (2017: 30 days') terms. They are recognised at their original invoice amounts which represents this fair value on initial recognition.

The Company has trade receivables amounting to USD1,086,036 (2017: USD1,208,347) that are past due at the reporting date but not impaired. These receivables are unsecured, except for the balances amounting to USD898,032 (2017: USDNil) which are secured by corporate guarantee from the holding company. The analysis of their aging at the reporting date is as follows:

7. TRADE RECEIVABLES (CONT'D)

	2018 USD	2017 USD
Not past due and not impaired	213,966	278,538
Past due but not impaired:		
- Less than 30 days	-	33,000
- 31 to 60 days	40,500	8,336
- 61 to 90 days	12,275	-
- More than 90 days	1,033,261	1,167,011
	1,086,036	1,208,347
	1,300,002	1,486,885

The retention sum is unsecured except for the balances amounting to USD451,168 (2017: USDNil) are secured by corporate guarantee from the holding company.

8. OTHER RECEIVABLES

	2018 USD	2017 USD
Advance to creditors:		
- Subsidiary	28,722	90,329
- Third parties	103,853	92,483
	132,575	182,812
Less: Allowance for doubtful debts		
Balance at beginning of the financial year	-	-
Allowance made	(14,361)	-
Balance at beginning of the financial year	(14,361)	-
	118,214	182,812
Deposits	1,127	1,127
Good in-transit	1,770	-
Interest receivables	-	853
Prepayment	3,126	6,230
Other receivables:		
- An associate	163,639	158,875
- Subsidiary	59,025	27,375
- Related company	19,455	-
- Third parties	-	50,680
	242,119	236,930
Work in progress	17,204	89,255
	383,560	517,207

Amounts due from an associate, subsidiary, a related company and third parties are non-trade in nature, unsecured, recoverable on demand and interest-free, except for amount due from an associate which bears interest of 3% (2017: 3%).

9. FIXED DEPOSITS

Fixed deposit of USDNIL (2017: USD119,176) was pledged as collateral to secure the bank overdraft as disclosed in Note 14. The balance of USD202,610 (2017: USD201,780) is pledged for the issue of banker's guarantee and letter of credit.

Fixed deposits are matured within one to twelve months (2017: one to twelve months). The effective interest rate is 0.2% to 1.15% (2017: 0.2% to 1.15%) per annum.

10. SHARE CAPITAL

	2018	2017
Issued and fully paid		
2,603,211 (2017: 2,603,211) ordinary shares	SGD 2,603,211	SGD 2,603,211
Equivalent to United States Dollar	USD 1,977,037	USD 1,977,037

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 restrictions. The ordinary shares have no par value.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy working ratios in order to support its business and maximise shareholder value.

The Company manages its working capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the working capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current financial year.

The capital structure of the Company comprises issued capital and reserves.

The Company manages capital by regularly monitoring its current and expected liquidity requirements.

The Company is not obliged to meet capital requirements, both internally and externally imposed.

11. TRADE AND OTHER PAYABLES

	2018 USD	2017 USD
Trade payables:		
- Subsidiary	-	165,871
- Holding company	1,740,432	1,660,400
- Third parties	120,982	223,930
	1,861,414	2,050,201
Accrued costs	40,021	-
Advance receipts - Third parties	20,971	99,318
Accruals	149,731	114,027
	2,072,137	2,263,546

12. AMOUNT DUE TO HOLDING COMPANY

	2018 USD	2017 USD
Loan I	155,000	155,000
Loan II	20,000	-
	175,000	155,000

The loans are non-trade in nature, unsecured, repayable on demand and bears interest of 12% and 12% per annum (2016: 9.5% and Nil%) for Loan I and Loan II respectively.

13. AMOUNT DUE TO A SUBSIDIARY

Amounts due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

14. BANK OVERDRAFT, SECURED

Bank overdraft which bears interest at 2% (2017: 2%) per annum, is secured by a charge on the Company's fixed deposit as disclosed in Note 9 and corporate guarantee from the holding company.

15. REVENUE

Revenue represents invoiced sales to customers during the year less trade discount.

16. OTHER INCOME

	2018 USD	2017 USD
Foreign exchange gain	-	13,738
Interest income	6,922	5,157
	6,922	18,895

17. FINANCE COSTS

	2018 USD	2017 USD
Bank overdraft interest	1,545	1,424
Other interest	20,600	15,500
	22,145	16,924

18. LOSS BEFORE INCOME TAX

In addition to those expenses disclosed elsewhere in the financial statements, loss before income tax is arrived at after charging the following:

	2018 USD	2017 USD
Allowance for doubtful debts - Non-trade	14,361	-
Allowance for doubtful debts - Trade	241,672	-
Bad debts written off	2,455	-
Depreciation of plant and equipment	536	391
Impairment losses on:		
- Investments in associates	-	49,000
- Investments in subsidiaries	-	84,102
Marketing and logistics expenses	7,673	36,542
Salaries and related costs	261,806	338,309
Travelling expenses	20,348	36,584

19. INCOME TAX

The tax expense on loss before income tax differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	2018 USD	2017 USD
Loss before income tax	(216,675)	(412,208)

19. INCOME TAX (CONT'D)

	2018 USD	2017 USD
Tax calculated at a tax rate of 17% (2017: 17%)	(36,835)	(70,075)
Effects of:		
- Expenses not deductible for tax purposes	3,708	22,863
Deferred tax assets not recognised	33,127	47,146
- Other	-	66
	-	-

Subject to the approval from tax authority, the Company has unabsorbed losses of USD1,491,135 (2017: USD1,296,808), available for offsetting against future taxable profits.

Deferred tax assets not recognised
The components of deferred tax assets not recognised are as follows:

	2018 S$	2017 S$
Excess of tax base of qualifying assets over the corresponding net carrying amount	1,611	1,520
Unabsorbed tax losses	253,493	220,457
	255,104	221,977

The deferred tax assets have not been recognised in the financial statements as it is not probable that the future profits will be available to offset against these deferred tax assets. The realisation of deferred tax benefit arising from the above is available for unlimited period subject to there being no substantial changes in shareholders as required in the provisions of the Singapore Income Tax Act.

20. RELATED PARTY TRANSACTIONS

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

	2018 USD	2017 USD
Income		
Sales to:		
- Holding company	70,000	-
- A subsidiary	75,000	-
Interest charged to an associate	4,764	3,875

20. RELATED PARTY TRANSACTIONS (CONT'D)

	2018 USD	2017 USD
Expenses		
Purchase from:		
- Holding company	443,809	1,064,040
- A related company	3,107	-
Interest charged by holding company	20,600	15,500

21. CONTINGENT LIABILITIES

The Company's banker's guarantee and letter of credit facilities amounted to USD235,842 (2017: USD582,555) as at 31 March 2018.

22. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The Company has no formal risk management policies and guidelines, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy. It has however established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the directors.

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The key financial risks include foreign currency risk, credit risk and liquidity risk. The following provide details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

22.1 Foreign currency risk

The Company's foreign currency exposures arise mainly from the exchange rate movements against the United States Dollar. There is no formal hedging policy with respect to foreign exchange exposure. Exposure to currency risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

The Company incurs foreign currency risk on that are denominated in currencies other than United States Dollar.

The Company has no significant transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company.

22. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

22.1 Foreign currency risk (cont'd)

Exposure to currency risk
The Company's exposures to currency risk at the reporting date are as follows:

	2018		2017	
	SGD	MYR	SGD	MYR
	USD	USD	USD	USD
Financial assets				
Trade receivables	-	-	1,485	-
Other receivables	-	1,127	-	1,127
Cash and bank balances	-	9	730	322
	-	1,136	2,215	1,449
Financial liabilities				
Trade and other payables	-	-	4,626	-
Bank overdraft, secured	27	-	-	-
	27	-	4,626	-
Net exposures	(27)	1,136	(2,411)	1,449

The impact on the net exposure to a reasonable possible change in currencies is insignificant, accordingly the sensitivity analysis is not disclosed.

22.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including bank balances and fixed deposits), the Company minimise credit risk by dealing with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the objective of reducing the Company's exposure to bad debts to an insignificant level.

At reporting date, the carrying amounts of trade and other receivables, fixed deposits and bank balances represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due and/or impaired except for trade receivables as disclosed in Note 7.

22. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

22.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Company monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and funding facilities from the bank. In assessing the funding facilities, the management reviews its working capital requirements regularly.

The undiscounted contractual cash flows of trade and other payables, and amounts due to holding company and a subsidiary, and bank overdraft are equivalent to their carrying amounts and are repayable within one year.

23. FINANCIAL INSTRUMENTS

Fair value
The fair value of financial assets and liabilities is at the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade and other receivables, fixed deposits, bank balances, trade payables and other payables, amounts due to holding company and a subsidiary, and bank overdraft are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Financial instruments by category
The carrying amounts of financial instruments in each of the following categories are as follows:

	2018 USD	2017 USD
Loans and receivables:		
- Trade receivables	1,891,976	2,065,000
- Other receivables	361,460	421,722
- Fixed deposits	202,610	320,956
- Bank balances	165	61,124
	2,456,211	2,868,802

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)
The carrying amounts of financial instruments in each of the following categories are as follows: (cont'd)

	2018 USD	2017 USD
Financial liabilities measured at amortised cost:		
- Trade and other payables	2,072,137	2,263,546
- Amount due to holding company	175,000	155,000
- Amount due to holding company	142,500	142,500
- Bank overdraft, secured	55	98,483
	2,389,692	2,659,529

24. PRIOR YEAR ADJUSTMENTS

Prior year adjustment relates to under recognition of investments in subsidiaries. The comparative figures have also been reclassified to conform with current year's presentation:

	As previously reported USD	Impact on prior year adjustment /Reclassified USD	As restated USD
Statement of financial position			
Current assets			
Investments in subsidiary	-	142,500	142,500
Trade and other receivables	2,575,977	(2,575,977)	-
Prepayments	6,230	(6,230)	-
Trade receivables	-	2,065,000	2,065,000
Other receivables	-	517,207	517,207
Current liabilities			
Trade and other payables	2,418,546	(155,000)	2,263,546
Amount due to holding company	-	155,000	155,000
Amount due to a subsidiary	-	142,500	142,500

THIS SCHEDULE HAS BEEN PREPARED FOR MANAGEMENT INFORMATION
ONLY AND DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

SUPPLEMENTARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	2018 USD	2017 USD
Revenue	1,079,673	1,513,055
Less: Cost of sales	714,701	1,332,937
Gross profit	364,972	180,118
Add: Other income		
Foreign exchange gain	-	13,738
Interest income	6,922	5,157
	6,922	18,895
Less: Distribution costs		
Marketing and logistics expenses	7,673	36,542
Selling and distribution	(9,561)	7,920
Travelling expenses	20,348	36,584
	18,460	81,046
Less: Administrative expenses		
Audit fee	84	4,626
Legal fee and professional fee	2,100	3,344
Printing and stationery	158	612
	2,342	8,582
Less: Other expenses		
Allowance for doubtful debts - Non-trade	14,361	-
Allowance for doubtful debts - Trade	241,672	-
Bad debts written off	2,455	-
Bank charges	20,154	27,366
Depreciation of plant and equipment	536	391
Foreign exchange loss	138	-
Impairment losses on investments in associates	-	49,000
Impairment losses on investments in subsidiaries	-	84,102
Repair and maintenance	19	109
Salaries and related costs	261,806	338,309
Telephone expenses	4,481	5,392
	545,622	504,669
Less: Finance costs		
Bank overdraft interest	1,545	1,424
Other interest	20,600	15,500
	22,145	16,924
Loss before income tax	(216,675)	(412,208)