

ALOK SINGAPORE PTE. LTD.
Reg No : 201136398E
(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015

ALOK SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)

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DIRECTORS' REPORT

The directors present their report to the member together with the audited financial statements for the financial year ended 31 March 2015.

1. Directors

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

Ashok Bhagiratmal Jiwrajka
Dilip Bhagirathmal Jiwrajka
Olivier Too (Appointed on 20/07/2015)
Surendra Bhagirathmal Jiwrajka

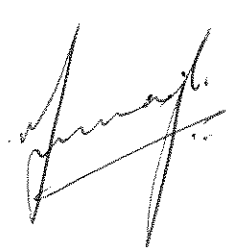
2. Arrangement to enable directors to acquire shares or debentures

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

3. Directors' interests in shares or debentures

The directors holding office at the end of the financial year and their interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follow:-

	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At 01/04/2014	At 31/03/2015	At 01/04/2014	At 31/03/2015
Ordinary shares				
Number of ordinary shares				
<u>Holding company</u>				
<u>Alok Industries Limited</u>				
Ashok Bhagiratmal Jiwrajka	34,868,710	35,825,710	-	-
Dilip Bhagirathmal Jiwrajka	36,467,076	36,467,076	-	-
Surendra Bhagirathmal Jiwrajka	37,088,312	36,588,312	-	-



4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the director or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. Share options

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

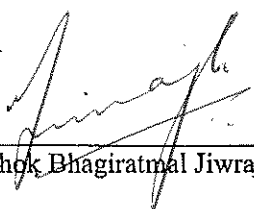
No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.


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

6. Auditors

The auditors, K. G. TAN & CO. PAC., have expressed their willingness to accept re-appointment.

On behalf of the board of directors,


Ashok Bhagirathmal Jiwarajka


Surendra Bhagirathmal Jiwarajka

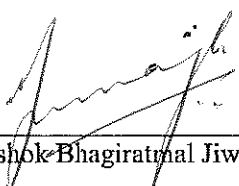
Date: 30 SEP 2015

DIRECTORS' STATEMENT


In the opinion of the directors,

- (a) the financial statements of the Company set out on pages 6 to 24 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (a) 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,



Ashok Bhagirathmal Jiwrajka



Surendra Bhagirathmal Jiwrajka

Date: 30 SEP 2015

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ALOK SINGAPORE PTE. LTD.**

Report on the financial statements

We have audited the accompanying financial statements of Alok Singapore Pte. Ltd. (the "Company") for the year ended 31 March 2015 as set out on pages 6 to 24, which comprise of the statement of financial position of the Company as at 31 March 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

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, Chapter 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 that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

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



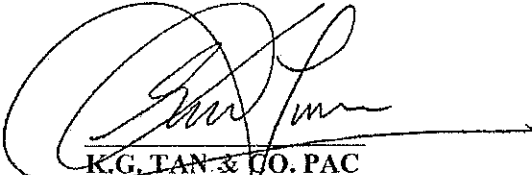
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ALOK SINGAPORE PTE. LTD. ("Continued")**

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015, and the results, changes in equity and cash flows of the Company for the financial year 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.

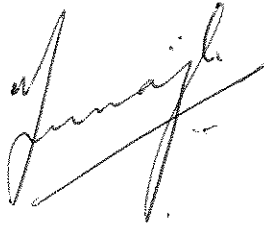

K.G. TAN & CO. PAC
Public Accountants and
Chartered Accountants

Singapore
Date: 30 SEP 2015

ALOK SINGAPORE PTE. LTD.
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 US\$	2014 US\$
Revenue	3	67,060,595	129,930,553
Cost of sales		<u>(61,426,025)</u>	<u>(116,963,918)</u>
Gross profit		5,634,570	12,966,635
Administrative expenses		(411,136)	(331,881)
Finance costs	4	<u>(5,051,196)</u>	<u>(12,260,758)</u>
Profit before tax	5	172,238	373,996
Income tax	6	(13,498)	(67,039)
Net profit for the year, representing total comprehensive income for the year		<u>158,740</u>	<u>306,957</u>



The accompanying notes form an integral part of the financial statements

ALOK SINGAPORE PTE. LTD.
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

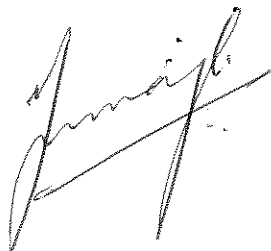
	Note	2015 US\$	2014 US\$
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	7	2,292,872	1,647,809
Trade and other receivables	8	95,326,242	120,472,902
Total assets		97,619,114	122,120,711
EQUITY			
Share capital	9	1	1
Accumulated profits		728,343	569,603
Total equity		728,344	569,604
LIABILITIES			
<u>Non-current liability</u>			
Borrowings (secured)	10	-	48,375,000
<u>Current liabilities</u>			
Borrowings (secured)	10	73,544,316	59,125,000
Other payables	11	22,418,032	1,510,181
Amount due to related parties	12	850,000	12,453,931
Income tax payable		78,422	86,995
Total liabilities		96,890,770	121,551,107
Total equity and liabilities		97,619,114	122,120,711

The accompanying notes form an integral part of the financial statements

ALOK SINGAPORE PTE. LTD.
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	<u>Share capital</u> US\$	<u>Accumulated profits</u> US\$	<u>Total equity</u> US\$
Balance as at 01 April 2013	1	262,646	262,647
Total comprehensive income for the year	-	306,957	306,957
Balance as at 31 March 2014	<u>1</u>	<u>569,603</u>	<u>569,604</u>
Balance as at 01 April 2014	1	569,603	569,604
Total comprehensive income for the year	-	158,740	158,740
Balance as at 31 March 2015	<u>1</u>	<u>728,343</u>	<u>728,344</u>

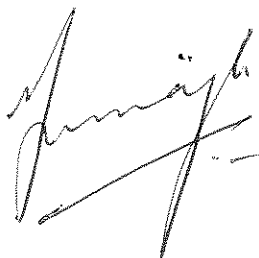


The accompanying notes form an integral part of the financial statements

ALOK SINGAPORE PTE. LTD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	2015	2014
	US\$	US\$
Cash flows from operating activities		
Profit before tax	172,238	373,996
<i>Adjustments for:</i>		
- Interest expense on borrowings	4,245,764	3,632,577
	4,418,002	4,006,573
<i>Changes in operating assets and liabilities:</i>		
- Trade and other receivables	25,146,660	(101,846,019)
- Other payables	20,907,851	(1,600,080)
Net cash generated from/(used in) operation	50,472,513	(99,439,526)
- Income tax paid	(22,071)	-
Net cash generated from/(used in) operating activities	50,450,442	(99,439,526)
Cash flows from financing activities		
Interest expense paid	(4,245,764)	(3,632,577)
Proceeds from borrowings	20,000,000	157,500,000
Repayment to a related party	(11,603,931)	(3,081,480)
Repayment of borrowings	(53,955,684)	(50,000,000)
Net cash (used in)/generated from financing activities	(49,805,379)	100,785,943
Net increase in cash and cash equivalents	645,063	1,346,417
Cash and cash equivalents at beginning of the year	1,647,809	301,392
Cash and cash equivalents at the end of the year	2,292,872	1,647,809




The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

1. General

The Company is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 90 Paya Lebar Road #08-43, Paya Lebar Square, Singapore 409051.

The principal activity of the Company is wholesale of textiles. There is no significant change in the nature of the principal activity of the Company during the financial year.

The Company is a wholly-owned subsidiary of Alok Industries Limited, incorporated in India, which is also the Company's holding company.

2. Significant accounting policies

Basis of preparation

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

The Company has adopted all the new/revised FRS and Singapore Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the financial period beginning on or after 01 April 2014.

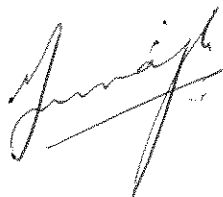
The adoption of the above FRS and INT FRS did not result in material changes to the Company's financial statements.

Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

Foreign currency transactions

Transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated to United States Dollar at the exchange rates prevailing on the balance sheet date. Non-monetary items denominated in foreign currencies that are measured at fair values are translated at the exchange rates ruling at the dates on which the fair values were determined. Foreign exchange differences arising from translation are recognised in the statement of comprehensive income.



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Income taxes

Income tax expense represents the sum of the current tax and deferred tax liabilities.

Tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income 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 measured at the amount expected to be paid to the tax authorities, using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

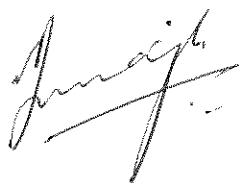
Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions, and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.



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 discounts, rebates and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised.

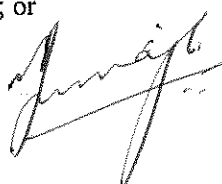
Revenue from sale of goods is recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectibility of the related receivables is reasonably assured.

Revenue from marketing service is recognised at a percentage markup of expenses incurred by the Company.

Related parties

Related party is defined as follows:

- a) A person or a close member of that person's family is related to the Company if that person:
 - i) Has control or joint control over the Company;
 - ii) Has significant influence over the Company; or
 - iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- b) An entity is related to the Company if any of the following conditions applies:
 - i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to others);
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group of which the other entity is a member);
 - iii) Both entities are joint ventures of the same third party;
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - vi) The entity is controlled or jointly controlled by a person identified in (a);
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or



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- viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 19 – Defined Benefit Plans: Employee Contributions	1 July 2014
<i>Improvements to FRSs (January 2014)</i>	
(a) Amendment to FRS 102 – Share-based Payment	1 July 2014
(b) Amendment to FRS 103 – Business Combination	1 July 2014
(c) Amendment to FRS 108 – Operating Segments	1 July 2014
(d) Amendment to FRS 16 – Property, Plant and Equipment	1 July 2014
(e) Amendment to FRS 38 – Intangible Assets	1 July 2014
<i>Improvements to FRSs (February 2014)</i>	
(a) Amendment to FRS 103 – Business Combinations	1 July 2014
(b) Amendment to FRS 113 – Fair Value Measurement	1 July 2014
(c) Amendment to FRS 40 – Investment Property	1 July 2014
FRS 114 Regulatory Deferral Account	1 January 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
<i>Improvements to FRSs (November 2014)</i>	
(a) Amendment to FRS 105 – Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
(b) Amendment to FRS 107 – Financial Instruments : Disclosures	1 January 2016
(c) Amendment to FRS 19 – Employee Benefits	1 January 2016
(d) Amendment to FRS 34 – Interim Financial Reporting	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

The Company expects that the adoption of the above standards and interpretations will not have material impact on the financial statements in the period of initial application.

Financial assets

a) Classification

The Company classifies its financial assets in the following categories: (i) fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity, and (iv) available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The designation of financial assets at fair value through profit or loss is irrevocable.

i) Financial assets, at fair value through profit or loss

This category has 2 sub-categories: “financial assets held for trading” and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short-term. Financial assets designated as fair value through profit or loss at inception are those that are managed, and their performance are evaluated on a fair value basis, in accordance with a documented Company’s investment strategy. Derivatives are also categorised as “held for trading” unless they are designated as hedges. Assets in this category are classified as current assets if they are held for trading or are expected to be realised within 12 months after the end of the reporting period.

ii) Loan and receivables

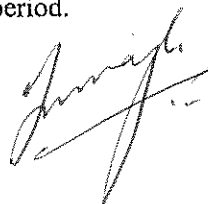
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are classified within “trade and other receivables” and cash and cash equivalents” on the statement of financial position.

iii) Financial assets, held-to maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. If the Company was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the end of the reporting period which are presented as current assets.

iv) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.



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b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is also taken to the statement of comprehensive income.

c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised in the statement of comprehensive income.

d) Subsequent measurement

Financial assets, available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and financial assets, held-to-maturity are carried at amortised cost using the effective interest method.

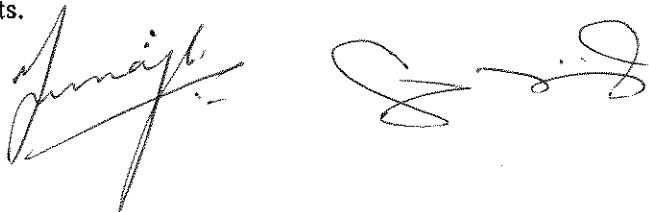
Gains or losses arising from changes in the fair value of “financial assets, at fair value through profit or loss” are presented in the statement of comprehensive income in the financial year in which the changes in fair values arise.

Changes in the fair value of monetary assets denominated in a foreign currency and classified as available-for-sale are analysed into translation differences resulting from changes in amortised cost of the assets and other changes. The translation differences are recognised in the profit or loss and other changes are recognised in the fair value reserve within equity. Changes in fair values of other monetary and non-monetary assets that are classified as available-for-sale are recognised in the fair value reserve within equity.

Interest on financial assets, available-for-sale, calculated using the effective interest method, is recognised in the statement of comprehensive income. Dividends on available-for-sale equity securities are recognised in the statement of comprehensive income when the Company’s right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the statement of comprehensive income as “gains and losses from investment securities”.

e) Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.



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i) Loans and receivables/Financial assets, held to maturity

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

ii) Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the securities below its cost and the disappearance of an active trading market for the securities are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the statement of comprehensive income. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the statement of comprehensive income on debt securities. The impairment losses recognised in the statement of comprehensive income on equity securities are not reversed through the statement of comprehensive income.

Share capital


Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.



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A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

Financial risk and management

The Company's overall business strategies, its tolerance of risks and its risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

The main risks arising from the Company's operations are credit risk, liquidity risk and interest rate risk. The Company is not exposed to price risk and has minimal exposure to foreign currency risk. The Board reviews and agrees policies for their risks and they are summarised below:

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

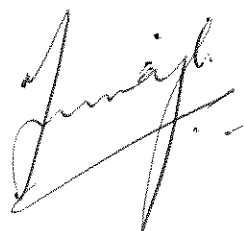
The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Company's major classes of financial asset are cash and cash equivalents, trade receivables and advance payment to holding company.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

The Company manages its credit risk by having policies in place to ensure that the Company deals with customers with appropriate credit history and credit standing.

The aging of the trade receivables are as follows:

	2015		2014	
	Gross US\$	Impairment US\$	Gross US\$	Impairment US\$
Current	4,931,660	-	9,900,388	-
Between 31 to 60 days	672,384	41,344	667,931	-
More than 60 days	22,752,107	241,795	9,944,519	184,375
	<u>28,356,151</u>	<u>283,139</u>	<u>20,512,838</u>	<u>184,375</u>



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Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operation and to mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the financial liabilities of the Company.

	Between 1 and 5		Total
	Less than 1 year	years	
	US\$	US\$	US\$
2015			
Borrowings (secured)	73,544,316	-	73,544,316
Other payables	22,418,032	-	22,418,032
Amount due to a related party	850,000	-	850,000
	<u>96,812,348</u>	<u>-</u>	<u>96,812,348</u>
2014			
Borrowings (secured)	59,125,000	48,375,000	107,500,000
Other payables	1,510,181	-	1,510,181
Amount due to related parties	12,453,931	-	12,453,931
	<u>73,089,112</u>	<u>48,375,000</u>	<u>121,464,112</u>

Interest rate risk

The Company was exposed to interest rate risk through the impact of rate changes on its interest bearing debts. The Company's policy is to manage its interest cost using a mix of fixed and variable rate debt instruments.

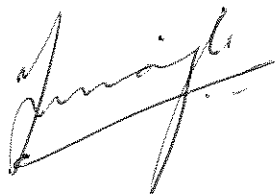
As at end of the reporting period, the Company has variable interest bearing debts amounting to US\$73,544,316 (2014: US\$107,500,000). If the interest on the variable interest bearing debts increase or decrease by 0.5%, with all other variables held constant, the profit before tax would decrease or increase by approximately US\$368,000 (2014: US\$537,000).

Capital risk management

The Company's objective when managing capital risk is to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The Company reviews the capital structure regularly. As part of the review, the company also ensures that it is in compliance with the capital requirement required by the regulator. The Company overall strategy remains unchanged from the previous financial year.

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



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Fair value of financial assets and financial liabilities

The fair values of the financial assets and liabilities are measured as followed:-

Cash and cash equivalents, trade and other receivables, amount due to related parties, other payables and borrowings.

The fair values of these financial instruments approximate their carrying amounts at the end of the reporting period because of their short term maturity.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRSs require management to make judgements, estimates and assumptions. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) *Impairment of receivables*

The Company makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. Allowance is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and the allowance for impairment in the financial year in which such estimate has been changed.

(ii) *Income taxes*

The Company is subject to income taxes in Singapore. Judgement is required in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognise liabilities for anticipated tax audit issues based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made.



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3. Revenue

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Sale of goods	61,428,850	116,963,918
Marketing services income from holding company	5,631,745	12,966,635
	<u>67,060,595</u>	<u>129,930,553</u>

4. Finance costs

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Interest expense on borrowings	4,245,764	3,632,577
Upfront fees for borrowings	805,432	8,628,181
	<u>5,051,196</u>	<u>12,260,758</u>

5. Profit before tax

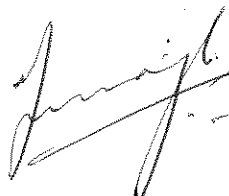
Profit before tax has been arrived at after charging:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Staff costs	-	-
Directors' remuneration	-	-
Allowance for impairment loss on trade receivables	98,764	184,375

There is no employee in the Company as all administrative functions are handled by the holding company.

6. Income tax

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<u>Current tax</u>		
- Current year	15,827	67,039
- Over provision in prior years	(2,329)	-
	<u>13,498</u>	<u>67,039</u>




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The income tax on results differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Profit before tax	172,238	373,996
Tax calculated at tax rate of 17% (2014: 17%)	29,280	63,579
<i>Reconciling items</i>		
Expenses not deductible for tax purposes	16,789	31,344
Income tax exemption	(20,052)	(20,676)
Income tax rebate	(7,805)	(22,274)
Over provision of current tax in prior year	(2,329)	-
Others	(2,385)	15,066
Tax charge	<u>13,498</u>	<u>67,039</u>

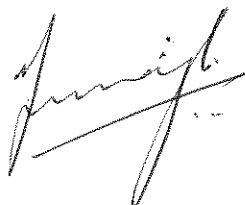
7. Cash and cash equivalents

For the purpose of representing the statement of cash flows, cash and cash equivalents comprise of the following:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Cash and cash equivalents	2,292,872	1,647,809
Less: Restricted cash (Note 1)	(2,290,548)	(1,000,000)
	<u>2,324</u>	<u>647,809</u>

Note 1: The restricted cash as at the end of the financial year represents cash pledged to the bank as securities for credit facility granted to the Company and can only be used for the followings:

- a) Payments of loans related to bank;
- b) Collection from debtors.




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8. Trade and other receivables

	2015	2014
	US\$	US\$
Trade balances due from:		
- Holding company	22,922,175	17,290,431
- Related party	1,523,915	-
- Third parties	3,910,061	3,222,407
	28,356,151	20,512,838
Less: Allowance for impairment loss	(283,139)	(184,375)
	28,073,012	20,328,463
Deposits	3,000	3,000
Prepayments	4,365	-
Advance payment to holding company (Note 1)	67,245,865	100,141,439
	95,326,242	120,472,902

Note 1: The balances are unsecured, interest free and repayable on demand.

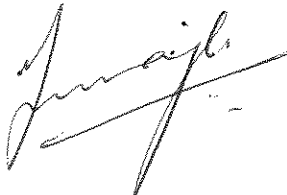
Movement in the allowance for impairment on trade receivables are as follows:

	2015	2014
	US\$	US\$
Balance as at beginning of the year	184,375	-
Charged to statement of comprehensive income	98,764	184,375
Balance as at end of the year	283,139	184,375

9. Share capital

	No. of share	Value
		US\$
<u>Issued and fully paid ordinary shares</u>		
2015		
Balance as at beginning and end of the year	1	1
2014		
Balance as at beginning and end of the year	1	1

There is no par value on the ordinary shares.




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10. Borrowings (secured)

	<u>2015</u>	<u>2014</u>
	US\$	US\$

The present value of the borrowings may be analysed as follows:

Current	73,544,316	59,125,000
Non-current	-	48,375,000
	<u>73,544,316</u>	<u>107,500,000</u>

The loans are to be repayable over 18 months from the date of drawdown, bears interest at 4.00% per annum plus LIBOR. The loans are pledged and have to be used only for the followings:

- c) Payments to supplier (holding company) in respect of purchase of goods;
- d) Payment of fees, costs and expenses on the facility; and
- e) Repayment of existing facility.

The loans are secured by:

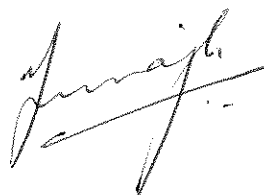

- a) the Company's bank deposit of US\$2,290,548;
- b) the ordinary share in the Company held by the holding company; and
- c) corporate guarantee of US\$172,500,000 from the holding company.

11. Other payables

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Advance payments from customers	22,395,318	1,498,697
Accrued operating expenses	22,714	9,212
Other payables	-	2,272
	<u>22,418,032</u>	<u>1,510,181</u>

12. Amount due to related parties

The balances are unsecured, interest free and repayable on demand.

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13. Related party transactions

The Company had significant transactions with related parties on terms agreed the party as follows:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
<u>Income</u>		
<i>Holding company</i>		
Marketing services	5,631,745	12,966,635
<i>Related party</i>		
Sale of goods	358,065	1,757,699
<u>Expenses</u>		
<i>Holding company</i>		
Purchases	61,426,025	116,963,918

14. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the board of director of Alok Singapore Pte. Ltd. on 30 SEP 2015.

