# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## REPORT AND ACCOUNTS

## 31st MARCH, 2017

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# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## Statement by Director

The Director has pleasure in presenting his report to the members together with the audited financial statements of PT Aurionpro Solutions ("the Company") for the financial year ended 31 March 2017.

**1. OPINION OF THE DIRECTOR**

In the opinion of the Board of Director of the Company,

(i) the financial statements which comprise the balance sheet as at 31st March 2017, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) 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.

**2. DIRECTOR**

The Director of the Company in office at the date of this report is:

Jadhav Dhananjay Balkrishna

**3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during that year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

**4. DIRECTORS INTERESTS IN SHARES AND DEBENTURES**

According to the register of directors' shareholdings kept by the Company under 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.

**5. SHARE OPTIONS**

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

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

**PT AURIONPRO SOLUTIONS**
(Incorporated in Indonesia)

## Statement by Director Continued/...

*For the financial year ended 31 March 2017*

6. AUDITORS

M/s. S. Renganathan & Co., has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Director

Jadhav Dhananjay Balkrishna

Singapore

Date : 2 9 MAY 2017

# S. RENGANATHAN & CO

**Chartered Accountants, Singapore**
**Regn. No. S64PF0237B**

101 Cecil Street,
#23-12 Tong Eng Building
Singapore 069533

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PT AURIONPRO SOLUTIONS

### *Opinion*

We have audited the financial statements of **PT AURIONPRO SOLUTIONS** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 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 to 2.

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.

# S. RENGANATHAN & CO

**Chartered Accountants, Singapore**
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PT AURIONPRO SOLUTIONS**

***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 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 skepticism throughout the audit. We also:

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

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PT AURIONPRO SOLUTIONS**

- 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.

S. Renganathan & Co

S. RENGANATHAN & CO
Public Accountants And
Chartered Accountants
101 Cecil Street
#23-12, Tong Eng Building
Singapore 069533

**S. Renganathan & Co.**
**Public Accountants &**
**Chartered Accountants, Singapore**

Singapore

Date: 29 MAY 2017

# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## BALANCE SHEET AS AT 31st MARCH 2017

| | Notes | 2017<br>US$ | 2016<br>US$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and Cash Equivalent | 4 | 45,676 | 129,522 |
| Trade Receivables | 5 | 187,767 | 371,368 |
| Other Receivables | 6 | 481,716 | 163,781 |
| | | 715,159 | 664,671 |
| **Non-Current Assets** | | | |
| Plant and Equipment | 7 | - | 227 |
| **Total Assets** | | 715,159 | 664,898 |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade Payables | 8 | 30,978 | 27,623 |
| Other Payables | 9 | 64,016 | 105,556 |
| Income Tax Payable | 12 | 16,000 | 20,276 |
| **Total Liabilities** | | 110,994 | 153,455 |
| **NET ASSETS** | | **604,165** | **511,443** |
| **EQUITY** | | | |
| Share Capital | 10 | 100,000 | 100,000 |
| Accumulated Earnings | | 504,165 | 411,443 |
| **Total Shareholders Equity** | | **604,165** | **511,443** |

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

# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## Statement of Comprehensive Income
*For the financial year ended 31st March 2017*

| | Notes | 2017<br>US$ | 2016<br>US$ |
|---|---|---|---|
| Revenue | 2j | 650,591 | 665,929 |
| Less: Direct Expenses | | (435,514) | (464,262) |
| Gross Profit | | 215,077 | 201,667 |
| Other Operating Income | | 31 | - |
| Interest Income | | 341 | 548 |
| Administrative Expenses | | (3,700) | (3,500) |
| Operating Expenses | | (118,415) | (95,194) |
| Profit from the operations | 11 | 93,334 | 103,521 |
| Financial Cost | | - | - |
| Profit before Tax | | 93,334 | 103,521 |
| Taxation | 12 | (612) | 54,622 |
| **Profit after Tax** | | **92,722** | **158,143** |
| Other Comprehensive Income (Net of Tax) | | - | - |
| **Total Comprehensive Income** | | **92,722** | **158,143** |

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

# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## Statement of Changes in Equity
*For the financial year ended 31 March 2017*

| | Share Capital US$ | Accumulated Earnings US$ | Total US$ |
|---|---|---|---|
| Balance at 1st April 2015 | 100,000 | 253,300 | 353,300 |
| Total Comprehensive Income for the year | - | 158,143 | 158,143 |
| Balance at 31 March 2016 | 100,000 | 411,443 | 511,443 |
| Total Comprehensive Income for the year | - | 92,722 | 92,722 |
| **Balance at 31 March 2017** | **100,000** | **504,165** | **604,165** |

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

# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## Cash Flow Statement
*For the financial year ended 31 March 2017*

| | 2017 US$ | 2016 US$ |
|---|---|---|
| **Cash Flow From Operating Activities** | | |
| Profit before taxation | 93,334 | 103,521 |
| Adjustments for:- | | |
| Depreciation of Plant and Equipment | 227 | 2,206 |
| | 93,561 | 105,727 |
| Trade Receivables | 183,601 | (32,060) |
| Other Receivables | (317,935) | (1,033) |
| Trade Payables | 3,355 | 13,887 |
| Other Payables | (41,540) | (39,560) |
| Cash generated from operations | (78,958) | 46,961 |
| Income Tax paid | (4,888) | (11,241) |
| **Net cash inflow from operating activities** | (83,846) | 35,720 |
| **Cash Flows From investing Activities** | | |
| Purchase of Plant & Equipment | - | (750) |
| **Net cash outflow from investing activities** | - | (750) |
| **Cash Flows From financing Activities** | | |
| Proceeds with issue of shares | - | - |
| **Net cash outflow from financing activities** | - | - |
| Net (decrease) / increase in cash and cash equivalents held | (83,846) | 34,970 |
| Cash and Cash Equivalents at the beginning of the year | 129,522 | 94,552 |
| **Cash and Cash Equivalents at the end of the year** | **45,676** | **129,522** |

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

## 1. Corporate Information

The Company is incorporated in Indonesia with its registered and the administration office at Indonesia.

The company is a subsidiary of AurionPro Solutions Ltd. incorporated in India which is also the corporation regarded by the directors as being the company's ultimate holding company.

The financial statements are presented in United States dollars which is the also the Company's functional currency.

The principal activities of the company are that of software consultancy services. There has been no significant change in the nature of this activity during the financial year.

The financial statements of the Company for the year ended March 31, 2017 were authorized for issue by the Board of Directors on 29 MAY 2017

## 2. Significant Accounting Policies

### a. Basis of Preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US$), which is the Company's functional currency.

### b. 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 2016. The adoption of these standards did not have any material effect on the financial statements.

c. **Standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards:

The following standards that have been issued but not yet effective are as follows:

| | **Description** | **Effective for annual periods beginning on or after** |
|---|---|---|
| FRS 115 | Revenue from Contracts with Customers | 1 Jan 2018 |
| Amendments to FRS 110 and FRS 28: | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Date to be determined |
| FRS 109 | Financial Instruments | 1 Jan 2018 |
| Amendments to FRS 7: | Disclosure Initiative | 1 Jan 2017 |
| Amendments to FRS 12: | Recognition of Deferred Tax Assets for Unrealised Losses | 1 Jan 2017 |
| Amendments to FRS 115: | Clarifications to FRS 115 Revenue from Contracts | 1 Jan 2018 |
| FRS 116 | Leases | 1 Jan 2019 |
| Amendments to FRS 102: | Classification and Measurement of Share-Based Payment Transactions | 1 Jan 2018 |

Except for FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 is described below.

<u>FRS 115 *Revenue from Contracts with Customers*</u>
FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

The new standard will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

During 2015, the Company performed a preliminary assessment of FRS .115 which is subject to changes arising from a more detailed ongoing analysis. The Company is in a business of trading in metals and alloys. The Company does not foresee any impact on the financial statements upon adoption of FRS 115:

**Standards issued but not yet effective (Continued)**

a) *Variable consideration*

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under FRS 115, and will be required to be estimated at contract inception. FRS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Company continues to assess individual contracts to determine the estimated variable consideration and related constraint. The Company expects that application of the constraint may result in more revenue being deferred than is under current FRS.

b) *Right of return*

The Company currently recognises a provision for the net margin arising from expected returns. Under FRS 115, an entity estimates the transaction price and recognises revenue based on the amounts to which the entity expects to be entitled through the end of the return period, and recognises such amount of expected returns as a refund liability, representing its obligation to return the customer's consideration. The Company expects to recognise a liability for the refund obligation and an asset for the right to recover the returned goods under FRS 115.

***Transition***

The following practical expedients are available when applying FRS 115 retrospectively.

- For completed contracts, an entity need not restate contracts that begin and end with the same annual reporting period or are completed contracts at the beginning of the earliest period presented.
- For completed contracts that have variable consideration, an entity may use the transaction price at the date the contract was completed rather than estimating the variable consideration amounts in the comparative reporting periods; and
- For contracts that were modified before the beginning of the earliest period presented, an entity need not retrospectively restate the contract for those contract modifications. Instead, an entity shall reflect the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:
  - identifying the satisfied and unsatisfied performance obligations;
  - determining the transaction price; and
  - allocating the transaction price to the satisfied and unsatisfied performance obligations.
- For all reporting periods presented before the date of initial application, an entity need not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue.

The Company plans to adopt the new standard on the required effective date using the full retrospective method and apply all the practical expedients available for full retrospective approach under FRS 115 as listed above.

## d. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

| | Useful lives |
|---|---|
| Computer Software | 10% |
| Office Equipment | 25 % to 33% |
| Furniture & Fittings | 25% |
| Renovation | 25% |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

## e. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Impairment losses are recognised in profit or loss.**
A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**f. Financial instruments**

**a) Financial Assets**

***Initial recognition and measurement:***

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

***Subsequent measurement:***

*Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise loan to the holding company, trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand.

**De-recognition**

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

**b) Financial Liabilities**

***Initial recognition and measurement:***

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

**Subsequent measurement**

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

Such financial liabilities comprise trade and other payables, and bank borrowings.

**Financial instruments (Continued)**

**De-recognition**

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

g. **Impairment of financial assets:**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

***Financial assets carried at amortised cost***

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit and loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account, the amount charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income statement.

**h. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**i. Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance in provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

**j. 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 easily measured. Revenue is measured at the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities.

Sale of goods
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.

**k. Fair Value of Financial Assets and Financial Liabilities**

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values. The Company does not anticipate that the carrying amounts recorded at balance sheet date would be significantly different from the values that would eventually be received or settled.

**l. Share Capital**

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

**m. Income Tax**

**a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

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

**c) Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**n. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks and on hand and 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.

**o. Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

***Current/ Non-current classification of borrowings***

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date. When an entity breaches an undertaking under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the reporting date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date.

**p. Foreign currency transactions and balances**

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

**q. Operating leases as lessee**

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

**r. Related Parties**

*A related party is defined as follows:*

a) *A person or a close member of that person's family is related to the Group and 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 Group or Company or of a parent of the Company.

b) *An entity is related to the Company if any of the following conditions applies:*

(i) the entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## 3. Significant accounting judgments and estimates

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.

### 3.1 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 mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

### 3.2 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.

**a) 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 2017 were US$ 669,483 (2016: US$ 519,854).

**b) Depreciation of plant and equipment**

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 3 – 4 years. The carrying amount of the company's plant and equipment as at 31 March 2017 is Nil (2016: US$ 227). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of theseassets, therefore future depreciation charges could be revised.

## 4. Cash and Cash Equivalent

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Cash at Bank | 45,677 | 129,522 |

The Company's cash and cash equivalents that are not denominated in United States dollars are as follows :-

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Indonesian Rupiah | 41,165 | 129,398 |

The carrying values of these Cash and Cash Equivalents approximate their fair values.

## 5. Trade Receivables

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Amount due from Non-Related Parties | 187,767 | 371,368 |

The carrying values of these trade receivables approximate their fair values.

## 6. Other Receivables

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Amount due from Holding Company | 140,000 | 140,000 |
| Advance given to Related Parties | 303,000 | - |
| Deposit | 6,442 | 5,239 |
| Others | 32,274 | 18,542 |
| | 481,716 | 163,781 |

The amount due from holding company are interest free, unsecured and receivable on demand.

The carrying values of these other receivables approximate their fair values.

## 7. Plant and Equipment - 2017

| | Office Equipment US$ | Furniture & Fittings US$ | Renovation US$ | Total US$ |
|---|---|---|---|---|
| **Cost** | | | | |
| As at 01/04/2016 | 3,771 | 4,851 | 1,548 | 10,170 |
| Additions | - | - | | |
| As at 31/03/2017 | 3,771 | 4,851 | 1,548 | 10,170 |
| **Depreciation** | | | | |
| As at 01/04/2016 | 3,771 | 4,624 | 1,548 | 9,943 |
| Charge for the year | - | 227 | - | - |
| As at 31/03/2017 | 3,771 | 4,851 | 1,548 | 10,170 |
| **Net Book Value** | | | | |
| As at 31/03/2017 | - | - | - | - |

| **2016** | | | | |
|---|---|---|---|---|
| **Cost** | US$ | US$ | US$ | US$ |
| As at 01/04/2014 | 3,021 | 4,851 | 1,548 | 9,420 |
| Additions | 750 | - | - | 750 |
| As at 31/03/2016 | 3,771 | 4,851 | 1,548 | 10,170 |
| **Depreciation** | | | | |
| As at 01/04/2014 | 2,922 | 3,267 | 1,548 | 7,737 |
| Charge for the year | 849 | 1,357 | - | 2,206 |
| As at 31/03/2016 | 3,771 | 4,624 | 1,548 | 9,943 |
| **Net Book Value** | | | | |
| As at 31/03/2016 | - | 227 | - | 227 |

## 8. Trade Payables

| | 2017 | 2016 |
|---|---|---|
| | US$ | US$ |
| Amount due to Related Companies | 3,721 | - |
| Accrued expenses | 27,257 | 27,623 |
| | 30,978 | 27,623 |

The carrying values of these other payables approximate their fair values.

## 9. Other Payables

| | 2017 | 2016 |
|---|---|---|
| | US$ | US$ |
| VAT / GST Payable | 17,203 | 70,300 |
| Other Payable | 46,813 | 35,256 |
| | 64,016 | 105,556 |

Amount due to related companies is interest free, unsecured and repayable on demand.

The carrying values of these other payables approximate their fair values.

## 10. Share Capital

| | 2017 | 2016 |
|---|---|---|
| | US$ | US$ |
| Authorised Capital<br>40,000 Ordinary Shares, at par value $10 per share | 400,000 | 400,000 |
| Issued and fully paid 10,000<br>Ordinary Shares, at par value $10 per share | 100,000 | 100,000 |

## 11. Net Income from Operations

| This is stated after charging/(crediting): | 2017 | 2016 |
|---|---|---|
| | US$ | US$ |
| Bad Debts | 10,117 | 1,047 |
| Depreciation | 227 | 2,205 |
| Exchange Loss (Gain) | (31) | 125 |

## 12. Income Tax

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Income Tax - Current Year | 16,000 | 1,674 |
| Prior year (over) provision | (15,388) | (56,296) |
| | 612 | (54,622) |

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate to profit before income tax as a result of the following differences:

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Accounting Profit | 93,334 | 103,521 |
| Tax at the applicable tax rate of 25% | 15,161 | 25,880 |
| Tax effect ofexpenses not deductible for tax purposes | 839 | (24,206) |
| Prior year (over) provision | (15,388) | (56,296) |
| | 612 | (54,622) |

## 13. Employees Compensation

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Staff salaries | 104,128 | 113,531 |
| Employers' contribution to CPF | - | - |

## 14. Related Party Transactions

The company has significant transactions with related parties on terms agreed between the parties as follows:

| | 2017 US$ | 2016 US$ |
|---|---|---|
| Consultancy charges | 315,000 | - |

All business transactions between the company and other companies in which the directors have an interest were carried out at arm's length and charged on the same basis chargeable to other non-related companies.

## 15. Financial Risk Management Policies

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial period, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk
The Company has no significant concentration of credit risk other than those balances with related companies comprising of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Financial assets that are neither past due nor impaired
Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired
Information regarding financial assets that are either past due or impaired is disclosed.

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

*(i) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial period.

*(ii) Foreign currency risk*

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD).

**Liquidity Risk**

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

## 16. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

***Cash and cash equivalents, other receivables and other payables***
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

***Trade receivables and trade payables***
The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

The annexed detailed profit and loss account does not form part of the audited statutory accounts and therefore it is not covered by the auditors' report.

# PT AURIONPRO SOLUTIONS
**(Incorporated in Indonesia)**

## Income and Expenditure Account
*For the financial year ended 31 March 2017*

| | | |
|---|---|---|
| | | **US$** |
| **INCOME** | | |
| Consulting Income | | 650,591 |
| **LESS:** Direct Expenses | | |
| Consultant Charges | 331,386 | |
| Salary | 104,128 | |
| | | (435,514) |
| **Gross Profit** | | 215,077 |
| **ADD:** Interest Income | | 341 |
| Exchange Gain | | 31 |
| | | 215,449 |
| **LESS: EXPENSES** | | |
| Audit Fees | 3,700 | |
| Bad Debts | 10,117 | |
| Bank Charges | 612 | |
| Computer accessories | 95 | |
| Depreciation | 227 | |
| Entertainment | 431 | |
| Exchange Loss | - | |
| Housing Allowance | 17,720 | |
| Insurance | 5,716 | |
| Medical | 141 | |
| Miscellaneous | 2,772 | |
| Postage & Courier | 38 | |
| Penalty | 118 | |
| Printing & Stationary | 8,453 | |
| Professional Charges | 2,401 | |
| Rent | 21,955 | |
| Repairs & Maintenance | 194 | |
| School Allowance | 6,240 | |
| Staff Welfare | 7,803 | |
| Tax Agent Fees | 5,051 | |
| Telephone | 10,623 | |
| Travelling | 2,624 | |
| Transport | 3,302 | |
| Vehicle Expences | 11,782 | |
| **Total Expenses** | | (122,115) |
| **Profit for the year** | | 93,334 |