

Wilson Cables Private Limited
Financial Statements for the year ended

31st March 2016

S. RENGANATHAN & CO

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

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

Tel: 6224 2589
6224 6151
Fax: 6223 8087
Email: sri.murali@hotmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILSON CABLES PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **WILSON CABLES PRIVATE LIMITED** which comprise the balance sheet as at 31st March 2016, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the 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 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 transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

S. RENGANATHAN & CO

Chartered Accountants, Singapore
Regn. No. S64PF0237B

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

Tel: 6224 2589
6224 6151
Fax: 6223 8087
Email: sri.murali@hotmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILSON CABLES PRIVATE LIMITED

Basis for Qualified Opinion

The Financial Statements for the year ended 31st March 2015 was qualified due to Trade Receivables amounting S\$593,313 being long overdue. The amount is still not received as of today. Management had initiated legal action to recover the balance and are still confident that the amount is recoverable. We are unable to ascertain the recoverable of this balance and are of the view that impairment loss be provided for the full amount.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of the Company as at 31st March 2016 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and

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.
Public Accountants and
Chartered Accountants, Singapore

Singapore

Date: 09/05/2016

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

BALANCE SHEET AS AT 31st March 2016

| | Notes | 2016 S\$ | 2015 S\$ |
|----------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalent | 3 | 4,257,825 | 1,578,737 |
| Trade Receivables | 4 | 7,153,892 | 6,541,092 |
| Other Receivables | 5 | 323,624 | 880,310 |
| Inventories | 6 | 7,483,647 | 8,484,920 |
| Tax Receivables | 20 | 1,061 | - |
| | | ----- | ----- |
| | | 19,220,049 | 17,485,059 |
| Non-Current Assets | | | |
| Plant and Equipment | 7 | 5,874,727 | 6,061,251 |
| Capital Work - in- progress | 8 | 385,072 | 140,511 |
| | | ----- | ----- |
| Total Assets | | 25,479,848 | 23,686,821 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 9 | 1,424,981 | 1,549,208 |
| Other Financial Liabilities | 12 | 45,475 | - |
| Borrowings | 10 | 469,392 | - |
| Hire Purchase Creditors | 13 | 63,491 | 61,511 |
| Tax Payables | 20 | - | 37,865 |
| | | ----- | ----- |
| | | 2,003,339 | 1,648,584 |
| Non Current Liabilities | | | |
| Deferred Tax | 14 | 134,316 | 148,558 |
| Borrowings | 10 | 2,757,792 | - |
| Hire Purchase Creditors | 13 | 5,972 | 68,844 |
| | | ----- | ----- |
| | | 2,898,080 | 217,402 |
| Total Liabilities | | 4,901,419 | 1,865,986 |
| NET ASSETS | | 20,578,429 | 21,820,835 |
| EQUITY | | | |
| Share Capital | 15 | 5,886,216 | 5,886,216 |
| Other Reserve | 16 | 4,029,255 | 4,035,095 |
| Retained Earnings | | 10,662,958 | 11,899,524 |
| | | ----- | ----- |
| TOTAL SHAREHOLDERS EQUITY | | 20,578,429 | 21,820,835 |

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

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Statement of Comprehensive Income
For the financial year ended 31st March, 2016

| | Notes | 2016 S\$ | 2015 S\$ |
|--|-------|--------------------|----------------|
| Revenue | 17 | 31,803,123 | 33,551,182 |
| Cost of Sales | | (30,492,238) | (30,011,811) |
| Gross Profit | | 1,310,885 | 3,539,371 |
| Other Operating Income | | 618,144 | 507,826 |
| Selling & Distribution Costs | | (1,343,797) | (1,120,562) |
| Administrative Expenses | | (1,382,847) | (1,453,529) |
| Other Operating Expenses | | (466,042) | (489,107) |
| (Loss) / Profit from operations | | (1,263,657) | 983,999 |
| Finance (costs) net | 19 | (64,151) | (25,123) |
| (Loss) / Profit before Tax | 18 | (1,327,808) | 958,876 |
| Income Tax Expense | 20 | 91,242 | (55,078) |
| (Loss) / Profit after Tax | | (1,236,566) | 903,798 |
| Other Comprehensive (Loss) - (Net of Tax) | | (5,840) | (8,740) |
| Total Comprehensive (Loss) / Income | | (1,242,406) | 895,058 |

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

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Statement of Changes in Equity
For the financial year ended 31st March, 2016

| | Share Capital S\$ | Revaluation Reserve S\$ | Retained Earnings S\$ | Total S\$ |
|--|-------------------------|-------------------------------|-----------------------------|-------------------|
| Balance at 31 st March 2014 | 5,886,216 | 4,043,835 | 10,995,726 | 20,925,777 |
| Total Comprehensive income for the year | - | (8,740) | 903,798 | 895,058 |
| Balance at 31 st March 2015 | 5,886,216 | 4,035,095 | 11,899,524 | 21,820,835 |
| Total Comprehensive (Loss) for the year | - | (5,840) | (1,236,566) | (1,242,406) |
| Balance at 31st March 2016 | 5,886,216 | 4,029,255 | 10,662,958 | 20,578,429 |

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

WILSON CABLES PRIVATE LIMITED**(Incorporated in Singapore)****Cash Flow Statement***For the financial year ended 31st March, 2016*

| | 2016 S\$ | 2015 S\$ |
|--|------------------|------------------|
| Cash Flow From Operating Activities | | |
| (Loss) / Profit before taxation | (1,327,808) | 958,876 |
| Adjustments for:- | | |
| Amortization of Leasehold Building | 184,265 | 184,615 |
| Depreciation of Plant and Equipment | 330,990 | 309,961 |
| Exchange loss on other financial liabilities | 45,475 | - |
| Interest Expenses | 45,138 | 6,063 |
| Gain on disposal of Plant and Equipment | (7,006) | (18,685) |
| | ----- | ----- |
| | (728,946) | 1,440,830 |
| Trade Receivables | (612,800) | 1,652,872 |
| Other Receivables | 556,686 | (629,336) |
| Inventories | 1,001,273 | (858,386) |
| Trade Payables | (124,227) | 150,655 |
| Fixed Deposits | (3,009,110) | - |
| | ----- | ----- |
| Cash (used in) / generated from operations | (2,917,124) | 1,756,635 |
| Income Tax Received / (Paid) | 38,074 | (149,320) |
| | ----- | ----- |
| Net cash (outflow) / inflow from operating activities | (2,879,050) | 1,607,315 |
| | ----- | ----- |
| Cash Flows From Investing Activities | | |
| Purchase of Plant and Equipment | (341,565) | (622,488) |
| Capital Work – in - Progress | (244,561) | (140,511) |
| Proceeds from disposal of Plant & Equipment | 14,000 | 25,837 |
| | ----- | ----- |
| Net cash outflow from Investing activities | (572,126) | (737,162) |
| | ----- | ----- |
| Cash Flows From financing Activities | | |
| Interest Paid | (45,138) | (6,063) |
| Hire Purchase Creditors | (60,892) | 130,355 |
| Borrowings | 3,227,184 | - |
| | ----- | ----- |
| Net cash inflow from financing activities | 3,121,154 | 124,292 |
| | ----- | ----- |
| Net (decrease) / increase cash and cash equivalents held | (330,022) | 994,445 |
| Cash and Cash Equivalents at the beginning of the year | 1,578,737 | 584,292 |
| | ----- | ----- |
| Cash and Cash Equivalents at the end of the year | 1,248,715 | 1,578,737 |
| | ===== | ===== |
| Cash at bank | 4,257,825 | 1,578,737 |
| Fixed deposits | (3,009,110) | - |
| | ----- | ----- |
| | 1,248,715 | 1,578,737 |
| | ===== | ===== |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements

For the financial year ended 31st March, 2016

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

1. Corporate Information

The Company (Registration Number: 197401983H) is incorporated in Singapore with its registered and the administration office of the Company is located at 142 Gul Circle, Jurong Industrial Estate, Singapore 629602.

HOLDING COMPANY

The Company is now a subsidiary of Sicagen India Limited, incorporated in India which is also the company's ultimate holding company.

The principal activities of the company are the manufacture and sale of cables, wires and other related products.

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, 2016 were authorized for issue by the Board of Directors on 09/05/2016.

2. Significant Accounting Policies

a. Accounting Convention

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as issued by the Singapore Accounting Standards Council as well as all related interpretations to FRS ("INT FRS") and the Companies Act, Cap 50. The financial statements are prepared under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

b. Basis of Preparation

The preparation of financial statements in conformity with FRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgments in the process of applying the Company's accounting policies. The areas requiring management's most difficult, subjective or complex judgments, or areas where estimates and assumptions are significant to the financial statements are disclosed.

c. Adoption of New and Revised Standards

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or after 1st April, 2015. The adoption of these new / revised FRSs and INT FRSs does not result in changes to the company's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

d. FRS issued but not yet effective

The following are the other new or amended standards and other Interpretations that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

| Reference | Description | Effective date for periods beginning on or after |
|------------------|-------------------------------|---|
| FRS 16 | Property, Plant and Equipment | 1.7.2014 |
| FRS 19 | Employee Benefits | 1.7.2014 |
| FRS 24 | Related Party Disclosures | 1.7.2014 |
| FRS 38 | Intangible assets | 1.7.2014 |
| FRS 40 | Investment Property | 1.7.2014 |
| FRS 102 | Share-Based Payment | 1.7.2014 |
| FRS 103 | Business Combinations | 1.7.2014 |
| FRS 113 | Fair Value Measurement | 1.7.2014 |

The directors do not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption.

e. Property, Plant and Equipment

These are stated at cost and valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are recognized and expenditure for maintenance and repairs are charged to the income and expenditure statement. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the income and expenditure statement.

Land and buildings held for use in the supply of goods or services and for administrative purposes, are stated in the balance sheet at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

- i. Depreciation of fixed assets other than the leasehold land and building and Computer is calculated on the reducing balance basis so as to write off the cost of the assets over their expected useful lives.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

| | |
|------------------------------------|-------------|
| Property | 20 years |
| Plant & Machinery | 10 % to 20% |
| Electrical Installation & Fittings | 10 % |
| Laboratory Equipments | 10 % |
| Factory & Office Equipments | 10 % |
| Furniture & Fittings | 10 % |
| Motor Vehicles | 15 % to 20% |

- ii. The leasehold building amortised over the year of lease (i.e.) over a year of 20 years.
- iii. Computer is depreciated on a straight line basis (over a year of 3 years).
- iv. Assets acquired during the year are depreciated for a full year and assets disposed off during the year are depreciated up to the last financial year before disposal.

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

f. Financial Assets

Initial recognition and measurement:

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit and loss: As at year end date, there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the income statement. The trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at year end date, there were no financial assets classified in this category.
4. Available for sale financial assets: As at year end date, there were no financial assets classified in this category.

Derecognition of financial assets:

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

g. Financial Liabilities

Initial recognition and measurement:

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through income statement includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit and loss: As at year end date, there were no financial liabilities classified in this category.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

Derecognition of financial liabilities:

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the “substance over form” based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

h. Inventories

Raw Materials, consumable stores and finished goods are valued at the average cost. Work in progress comprises of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. In the case of finished goods, cost is made up of the cost of raw material, direct wages and an appropriate proportion of factory overheads.

i. Impairment of Tangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

j. 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

k. 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

Sales are recognised when the Company has delivered the goods to the customers, the customers have accepted the goods and the collectability of the related receivables is reasonably assured. Sales are presented, net of goods and services tax, rebates and discounts.

Interest income

Interest on short-term loans and deposits are accounted on accrual basis.

l. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the Company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders and no gain or loss is recognized in the income statement.

m. 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.

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

n. Employee compensation

(a) Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(b) Employee leave entitlement

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

o. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted.

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

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off Current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquiree's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities over cost.

p. Functional Currency

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in Singapore Dollars at the rate of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

q. Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits.

r. Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet.

s. Borrowing Costs

Borrowing costs are recognized in the income statement using the effective interest method.

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...
For the financial year ended 31st March, 2016

t. Leases

i) Finance Leases

Leases of property, plant and equipment where the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the income statement over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

ii) Operating Leases

Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the year of the lease. Contingent rents are recognised as an expense in the income statement when incurred.

u. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical assumptions used and accounting estimates in applying accounting policies:

i) Depreciation of Property, plant and equipment

Property is depreciated on a straight-line basis and Plant and equipment are depreciated on a reducing-line basis and Computers are depreciated on a straight line values over their estimated useful lives. Management estimates the useful lives of Property, plant and equipment to be within 3 – 20 years. The carrying amount of the company's property, plant and equipment as at 31st March 2016 is S\$ 5,874,727 (2015: S\$ 6,061,251). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

ii) Income tax

Significant judgment is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

v. Related Party Transactions

A party is considered to be related to the Company if:

- a. The party, directly or indirectly through one or more intermediaries,
 - i) controls, is controlled by, or is under common control with, the Company;
 - ii) has an interest in the Company that gives it significant influence over the Company; or
 - iii) has joint control over the Company;
- b. The party is an associate;
- c. The party is a jointly-controlled entity;
- d. The party is a member of the key management personnel of the company;
- e. The party is a close member of the family of any individual referred to in (a) or (d); or,
- f. The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- g. The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

3. Cash and Cash Equivalents

| | 2016 | 2015 |
|------------------------|------------------|------------------|
| | S\$ | S\$ |
| Cash in hand | 8,000 | 10,407 |
| Cash and bank balances | 1,240,715 | 1,568,330 |
| Fixed Deposits | 3,009,110 | - |
| | <u>4,257,825</u> | <u>1,578,737</u> |

Currency exposure profile is as follows:

| | 2016 | 2015 |
|-----------------------|---------|-----------|
| | S\$ | S\$ |
| United States Dollars | 519,987 | 1,143,194 |

The effective interest rates per annum relating to the Fixed deposits at the balance sheet date ranging from 0.80% p.a to 1.60% p.a.

The carrying values of these cash and cash equivalents approximate their fair values.

For the purpose of presentation in the cash flow statement, the cash and cash equivalents comprise the following:

| | 2016 | 2015 |
|---|------------------|------------------|
| | S\$ | S\$ |
| Cash and bank deposits (as above) | 4,257,825 | 1,578,737 |
| Less: Bank Fixed deposits | (3,009,110) | - |
| Cash at bank as per cash flow statement | <u>1,248,715</u> | <u>1,578,737</u> |

WILSON CABLES PRIVATE LIMITED**(Incorporated in Singapore)****Notes to the Financial Statements Continued/...***For the financial year ended 31st March, 2016***4. Trade Receivables**

| | 2016 | 2015 |
|---------------------------------|------------------|------------------|
| | S\$ | S\$ |
| Non – related party | 7,031,599 | 6,339,088 |
| Related party – Holding Company | - | 22,865 |
| GST Receivables | 122,293 | 179,139 |
| | ----- | ----- |
| | <u>7,153,892</u> | <u>6,541,092</u> |

The Currency exposure profile is as follows:

| | 2016 | 2015 |
|----------------------|----------------|--------------|
| | S\$ | S\$ |
| United States Dollar | 505,367 | 3,492 |
| | ----- | ----- |
| | <u>505,367</u> | <u>3,492</u> |

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

The trade receivables are non-interest bearing and are generally on 30 - 90 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables that are past due but not impaired:

The Company has trade receivables amounting to S\$ 5,393,722 (2015: S\$ 2,074,745) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their ageing at the balance sheet date is as follows:

| | 2016 | 2015 |
|-------------------|------------------|------------------|
| | S\$ | S\$ |
| Less than 30 days | 2,140,235 | 637,100 |
| 31 – 60 days | 1,415,501 | 156,432 |
| More than 60 days | 1,837,986 | 1,281,213 |
| | ----- | ----- |
| | <u>5,393,722</u> | <u>2,074,745</u> |

5. Other Receivables

| | 2016 | 2015 |
|---------------------------------|----------------|----------------|
| | S\$ | S\$ |
| Amount due from a Related Party | - | 203,890 |
| Advance to Suppliers | 87,883 | 523,828 |
| Deposits | 109,263 | 104,865 |
| Government Grants | 38,302 | - |
| Prepayments | 88,176 | 47,727 |
| | ----- | ----- |
| | <u>323,624</u> | <u>880,310</u> |

The amount due from suppliers and a related party is interest free, unsecured and receivable on demand.

The Currency exposure profile is as follows:

| | 2016 | 2015 |
|----------------------|---------------|----------------|
| | S\$ | S\$ |
| United States Dollar | 30,031 | 519,131 |
| | ----- | ----- |
| | <u>30,031</u> | <u>519,131</u> |

The carrying values of these other₁₉ receivables approximate their fair values.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March, 2016

6. Inventories

| Inventories comprise the following: | 2016 | 2015 |
|-------------------------------------|------------------|------------------|
| | S\$ | S\$ |
| Raw Materials | 1,572,055 | 1,122,623 |
| Parts and Supplies | 219,033 | 210,955 |
| Work-in-Progress | 888,150 | 1,454,838 |
| Finished Goods & Trading Stock | 4,804,409 | 5,696,504 |
| | <u>7,483,647</u> | <u>8,484,920</u> |

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...
For the financial year ended 31 March 2016

7. Plant and Equipment - 2016

| | Leasehold Building | Plant & Machinery | Electrical Fittings & Installation | Factory Equipment | Laboratory Equipment | Office Equipment | Furniture & Fittings | Motor Vehicles | Computers | Total |
|-----------------------|--------------------|-------------------|------------------------------------|-------------------|----------------------|------------------|----------------------|----------------|-----------|------------|
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| As at 01.04.2015 | | | | | | | | | | |
| Revalued Amount | 7,417,383 | 10,959,930 | 471,801 | 187,468 | 233,863 | 36,614 | 115,360 | 204,687 | 373,629 | 20,000,735 |
| At Valuation | - | - | - | - | - | - | - | - | - | - |
| Additions | - | 278,031 | - | 8,126 | 47,008 | - | 1,570 | - | 6,830 | 341,565 |
| Reclassification | - | - | - | - | - | - | - | - | - | - |
| Disposals at Cost | - | (69,000) | - | - | - | - | - | - | - | (69,000) |
| Disposal at valuation | - | (5,840) | - | - | - | - | - | - | - | (5,840) |
| As at 31/03/2016 | | | | | | | | | | |
| Cost | 5,024,678 | 9,444,098 | 472,791 | 205,118 | 307,165 | 43,799 | 140,585 | 204,687 | 395,284 | 16,238,205 |
| Revaluation Surplus | 2,392,705 | 1,719,023 | (990) | (9,524) | (26,294) | (7,185) | (23,655) | - | (14,825) | 4,029,255 |
| At Valuation | 7,417,383 | 11,163,121 | 471,801 | 195,594 | 280,871 | 36,614 | 116,930 | 204,687 | 380,459 | 20,267,460 |
| Depreciation: | | | | | | | | | | |
| As at 01.04.2015 | 3,740,458 | 9,005,033 | 402,275 | 131,464 | 210,972 | 21,790 | 77,810 | 37,527 | 312,155 | 13,939,484 |
| Charge for the Year | 184,265 | 222,175 | 6,952 | 6,074 | 3,565 | 1,483 | 3,898 | 35,134 | 51,709 | 515,255 |
| Disposal | - | (62,006) | - | - | - | - | - | - | - | (62,006) |
| As at 31/03/2016 | 3,924,723 | 9,165,202 | 409,227 | 137,538 | 214,537 | 23,273 | 81,708 | 72,661 | 363,864 | 14,392,733 |
| Net Book Value: | | | | | | | | | | |
| As at 31/03/2016 | 3,492,660 | 1,997,919 | 62,574 | 58,056 | 66,334 | 13,341 | 35,222 | 132,026 | 16,595 | 5,874,727 |
| As at 31/03/2015 | 3,676,925 | 1,954,897 | 69,526 | 56,004 | 22,891 | 14,823 | 37,551 | 167,160 | 61,474 | 6,061,251 |

The net book value of a motor vehicle under finance lease as at 31st March 2016 is S\$ 132,026 (2015: S\$ 167,160)

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...
For the financial year ended 31 March 2016

Plant and Equipment - 2015

| | Leasehold Building | Plant & Machinery | Electrical Fittings & Installation | Factory Equipment | Laboratory Equipment | Office Equipment | Furniture & Fittings | Motor Vehicles | Computers | Total |
|-------------------------|--------------------|-------------------|------------------------------------|-------------------|----------------------|------------------|----------------------|----------------|-----------|------------|
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| As at 01.04.2014 | | | | | | | | | | |
| Revalued Amount | 7,417,383 | 10,585,454 | 470,580 | 181,234 | 233,863 | 37,690 | 107,552 | 262,289 | 349,364 | 19,645,409 |
| At Valuation | - | - | - | - | - | - | - | - | - | - |
| Additions | - | 374,476 | 2,900 | 6,234 | - | 2,118 | 7,808 | 204,687 | 24,265 | 622,488 |
| Reclassification | - | - | - | - | - | - | - | - | - | - |
| Disposals at Cost | - | - | (2,050) | - | - | (3,300) | - | (253,072) | - | (258,422) |
| Disposal at valuation | - | - | 371 | - | - | 106 | - | (9,217) | - | (8,740) |
| As at 31/03/2015 | | | | | | | | | | |
| Cost | 5,024,678 | 9,235,067 | 472,791 | 196,992 | 260,157 | 43,799 | 139,015 | 204,687 | 388,454 | 15,965,640 |
| Revaluation Surplus | 2,392,705 | 1,724,863 | (990) | (9,524) | (26,294) | (7,185) | (23,655) | - | (14,825) | 4,035,095 |
| At Valuation | 7,417,383 | 10,959,930 | 471,801 | 187,468 | 233,863 | 36,614 | 115,360 | 204,687 | 373,629 | 20,000,735 |
| Depreciation: | | | | | | | | | | |
| As at 01.04.2014 | 3,555,843 | 8,808,710 | 395,726 | 125,530 | 208,429 | 22,129 | 73,944 | 246,191 | 259,676 | 13,696,178 |
| Charge for the Year | 184,615 | 196,323 | 7,681 | 5,934 | 2,543 | 1,566 | 3,866 | 39,569 | 52,479 | 494,576 |
| Additions | - | - | (1,132) | - | - | (1,905) | - | (248,233) | - | (251,270) |
| Disposal | 3,740,458 | 9,005,033 | 402,275 | 131,464 | 210,972 | 21,790 | 77,810 | 37,527 | 312,155 | 13,939,484 |
| As at 31/03/2015 | | | | | | | | | | |
| Net Book Value: | | | | | | | | | | |
| As at 31/03/2015 | 3,676,925 | 1,954,897 | 69,526 | 56,004 | 22,891 | 14,823 | 37,551 | 167,160 | 61,474 | 6,061,251 |
| As at 31/03/2014 | 3,861,539 | 1,776,744 | 74,854 | 55,704 | 25,434 | 15,561 | 33,608 | 16,098 | 89,688 | 5,949,231 |

The net book value of a motor vehicle under finance lease as at 31st March 2015 is S\$ 167,160 (2014: S\$ Nil).

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...*For the financial year ended 31st March 2016***8. Capital Work-in-Progress**

| | 2016 | 2015 |
|------------------------------------|----------------|----------------|
| | S\$ | S\$ |
| Fire alarm cable testing equipment | - | 32,656 |
| Driven pay off machine | - | 40,855 |
| Tensile testing machine | - | 53,000 |
| Alteration of factory building | 385,072 | 14,000 |
| | <u>385,072</u> | <u>140,511</u> |

Capital Work-in-Progress represents additions relating to building which was in progress as at the year-end.

9. Trade & Other Payables

| | 2016 | 2015 |
|---------------------------|------------------|------------------|
| | S\$ | S\$ |
| Trade payables | 1,090,356 | 1,026,093 |
| Accrued Expenses & others | 334,625 | 523,115 |
| | <u>1,424,981</u> | <u>1,549,208</u> |

The Currency exposure profile is as follows:

| | 2016 | 2015 |
|----------------------|----------------|----------------|
| | S\$ | S\$ |
| United States Dollar | 416,553 | 215,517 |
| Euro | - | 35,551 |
| GBP | 791 | - |
| | <u>417,344</u> | <u>251,068</u> |

10. Borrowings

| | 2016 | 2015 |
|--------------------------------|------------------|----------|
| | S\$ | S\$ |
| Current Liabilities | | |
| Term Loan | 469,392 | - |
| | <u>469,392</u> | <u>-</u> |
| Non-Current Liabilities | | |
| Term Loan | 2,757,792 | - |
| | <u>2,757,792</u> | <u>-</u> |
| TOTAL | <u>3,227,184</u> | <u>-</u> |

The above bank borrowing bears interest rate at 2.55% p.a at the balance sheet date. The above bank facility is secured on a first legal mortgage over the property at 142 Gul Circle, Singapore 629602 and a first fixed and floating charge on all Company's assets and undertakings, both present and future, including Company's good will and uncalled capital (debenture). The loan is a 7 years term loan, and is repayable over 84 remaining monthly installments carrying interest at the rate of 2.05% p.a commencing on date of disbursement.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...*For the financial year ended 31st March 2016***Borrowings (...cont'd)****Term Loans Repayment Commitments are as follows:-**

| | 2016 | 2015 |
|-------------------------|------------------|----------|
| | S\$ | S\$ |
| Due within one year | 469,392 | - |
| Due within 2 to 5 years | 1,877,568 | - |
| After 5 years | 880,224 | - |
| | <u>3,227,184</u> | <u>-</u> |

11. Financial Liabilities

| | 2016 | 2015 |
|---------------------------------|------------------|-----------|
| | S\$ | S\$ |
| Trade & Other payables (Note 9) | 1,424,981 | 1,549,208 |
| Borrowings (Note 10) | <u>3,227,184</u> | <u>-</u> |

The total financial liabilities are carried at amortised cost.

12. Other Financial Liabilities

| | 2016 | 2015 |
|------------------------------------|---------------|----------|
| | S\$ | S\$ |
| Forward Foreign Exchange Contracts | <u>45,475</u> | <u>-</u> |

The Contract Notional Amount is US\$ 2,250,000. The Company enters into forward foreign exchange contracts to manage the risk associated with anticipated purchase transactions out to 1 – 2 months within 10 to 15 % of the exposure generated. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated purchase transaction takes place.

13. Hire Purchase Creditors

| | 2016 | 2015 |
|-------------------------|---------------|----------------|
| | S\$ | S\$ |
| Hire Purchase Creditors | 70,095 | 134,824 |
| Less: Finance Charges | (632) | (4,469) |
| | <u>69,463</u> | <u>130,355</u> |
| Due within 12 months | (63,491) | (61,511) |
| | <u>5,972</u> | <u>68,844</u> |

Obligation under hire purchase contracts are as follows:

| | 2016 | 2015 |
|-------------------------|---------------|----------------|
| | S\$ | S\$ |
| Due Within one year | 63,491 | 61,511 |
| Due within 2 to 5 years | 5,972 | 68,844 |
| | <u>69,463</u> | <u>130,555</u> |

WILSON CABLES PRIVATE LIMITED**(Incorporated in Singapore)****Notes to the Financial Statements Continued/...***For the financial year ended 31st March 2016***14. Deferred Tax**

Deferred Tax has been recognised in respect of the following items:-

| | 2016 | 2015 |
|---|----------------|----------------|
| | S\$ | S\$ |
| Deferred tax (Liabilities) | | |
| Excess of net book value over tax written down value of fixed assets | 873,870 | 873,870 |
| Excess of Unabsorbed losses over provision over tax written down value | (83,776) | - |
| | <u>790,094</u> | <u>873,870</u> |
| Deferred tax liability | <u>134,316</u> | <u>148,558</u> |

15. Share Capital

| | 2016 | 2015 |
|---|------------------|------------------|
| | S\$ | S\$ |
| Issued and fully paid - 5,886,216 ordinary shares, with no par value | <u>5,886,216</u> | <u>5,886,216</u> |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

16. Revaluation Reserve

This represents surplus on revaluation of Property, Plant and Equipment.

17. Revenue

Turnover represents invoiced trading sales and services to customers.

18. (Loss) / Profit before Taxation

| This is stated after charging/(crediting): | 2016 | 2015 |
|---|----------------|-----------------|
| | S\$ | S\$ |
| Amortization of Leasehold Building | 184,265 | 184,615 |
| Depreciation of Plant & Equipment | 330,991 | 309,961 |
| Director's Fee | 312,000 | 306,000 |
| (Gain) on sale of Property, Plant & Equipment | <u>(7,006)</u> | <u>(18,685)</u> |

19. Finance Cost

| This is stated after charging/(crediting): | 2016 | 2015 |
|--|---------------|----------|
| | S\$ | S\$ |
| Interest on Hire Purchase | 3,836 | 4,689 |
| Interest on short-term loan | - | (3,890) |
| Interest on Term Loan | <u>41,302</u> | <u>-</u> |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...*For the financial year ended 31st March 2016***20. Income Tax**

| | 2016 | 2015 |
|-------------------------------------|-----------------|---------------|
| | S\$ | S\$ |
| Income Tax - Current Year | - | 39,772 |
| Prior year (Over) / Under Provision | (77,000) | 24,924 |
| Deferred Tax | (14,242) | (9,618) |
| | <u>(91,242)</u> | <u>55,078</u> |

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

| | 2016 | 2015 |
|--------------------------------------|-----------------|---------------|
| | S\$ | S\$ |
| (Loss) / Profit for the year | (1,327,808) | 958,876 |
| Income tax expense at statutory rate | (225,727) | 163,009 |
| Non-allowable (taxable) items | (118,387) | (89,885) |
| Statutory Exempt Income | - | (25,925) |
| Prior year under provision | (77,000) | 24,924 |
| Corporate Income Tax Rebate | - | (17,045) |
| Deferred Tax Asset Unutilized | 329,872 | - |
| | <u>(91,242)</u> | <u>55,078</u> |

Movements in current income tax liabilities

| | 2016 | 2015 |
|--|--------------|-----------------|
| | S\$ | S\$ |
| Beginning of financial year | (37,865) | (122,489) |
| Income tax paid | (38,074) | 149,320 |
| Tax payable on profit for current financial year | - | (39,772) |
| Prior year over / (under) provision | 77,000 | (24,924) |
| End of financial year | <u>1,061</u> | <u>(37,865)</u> |

The Company has tax loss carry forwards of S\$ 1,940,426 (2015: S\$ Nil) and unabsorbed capital allowances of S\$ 1,025,524 (2015: S\$ Nil) and timing differences available for offsetting against future taxable income.

The realisation of the future income tax benefits from tax loss carry forwards and timing difference is available for an unlimited future year only if the company derives future assessable income of a nature and of sufficient amount to enable the benefit of the deductions for the loss to be realised and the company continues to comply with the conditions for deductibility imposed by the law including the retention of majority shareholders as defined. To the extent that tax benefits are utilised in the future from offsetting the tax loss carry forwards in respect of timing differences, provisions for deferred tax will be required for such timing differences.

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...
For the financial year ended 31st March 2016

21. Related Party Transactions

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

| | 2016 | 2015 |
|---|--------------|--------------|
| | S\$ | S\$ |
| Sales to Related Party | - | 3,492 |
| Interest from Related Party | - | 3,890 |
| Expenses incurred for services received | 79,569 | - |
| Loan given to Related Party | - | 200,000 |
| | <u>=====</u> | <u>=====</u> |

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.

22. Operating Lease Commitments

At the balance sheet date the company was committed to making the following payments in respect of operating leases with a term of more than one year:

| | 2016 | 2015 |
|-----------------|--------------|--------------|
| | S\$ | S\$ |
| Within one year | 219,997 | 185,977 |
| 2 to 5 years | 534,307 | 478,132 |
| After 5 years | 2,550,038 | 2,709,416 |
| | <u>=====</u> | <u>=====</u> |

23. Bank Facilities

The Company has been provided an "overdraft" facility amounting to S\$ 2,000,000, Fixed Finance Facility amounting to S\$ 3,000,000, Term Loan Facility amounting to S\$ 3,500,000, Letters of Guarantees Facility amounting to S\$500,000 and trade facilities amounting to S\$ 1,500,000 by a bank. These facilities were secured on a first legal mortgage over the property at 142 Gul Circle, Singapore 629602 and a first fixed and floating charge on all Company's assets and undertakings, both present and future, including Company's good will and uncalled capital (debenture). Of the above, the Term Loan Facility was drawn down in August 2015 for the purpose of Working Capital Requirements.

24. Employee Benefits

| | 2016 | 2015 |
|------------------------------------|--------------|--------------|
| | S\$ | S\$ |
| Staff Costs | 3,868,084 | 4,055,913 |
| | <u>=====</u> | <u>=====</u> |
| Cost of defined contribution plans | | |
| Included in staff costs | 276,618 | 260,446 |
| | <u>=====</u> | <u>=====</u> |

Key management personnel compensation is as follows:

| | 2016 | 2015 |
|--|--------------|--------------|
| | S\$ | S\$ |
| Wages and salaries | 710,640 | 726,240 |
| Other employment benefits – CPF Employer | 5,818 | 8,448 |
| | <u>=====</u> | <u>=====</u> |

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Notes to the Financial Statements Continued/...
For the financial year ended 31st March 2016

25. Financial Risk Management Policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of directors reviews and agrees policies and procedures for managing of these risks and fair values of the assets and liabilities of the Company. Each of these risks are summarised below:

Foreign Exchange Risk

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly United States Dollars, GBP and Euro.

| | <u>2016</u> | <u>2016</u> | <u>2015</u> | <u>2015</u> |
|-----------------------------|----------------|--------------|------------------|-----------------|
| | S\$ | S\$ | S\$ | S\$ |
| | US\$ | GBP | US\$ | Euro |
| Cash & cash equivalents | 519,987 | - | 1,143,194 | - |
| Trade and Other receivables | 544,442 | - | 522,623 | - |
| Trade and Other payables | (583,396) | (791) | (215,517) | (35,551) |
| | ----- | ----- | ----- | ----- |
| | <u>481,033</u> | <u>(791)</u> | <u>1,450,300</u> | <u>(35,551)</u> |

Sensitivity analysis for foreign exchange risk:

A 1% strengthening of the Singapore dollar against the following currencies as at the balance sheet date would have decreased the profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------|-------------|-------------|
| | S\$ | S\$ |
| <u>Profit before taxation</u> | | |
| United State dollar | 4,810 | 14,503 |
| GBP | 8 | - |
| Euro | - | 355 |
| | ----- | ----- |

A 1% strengthening of the United States dollar, GBP and Euro against the following currencies as at the balance sheet date would have had the equal opposite effect on the above currencies to the amounts shown above, on the basis that all over other variables remain constant.

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 its loans.

The Company's policy is to manage interest cost using a mix of fixed and floating rate debts.

| | <u>2016</u> | <u>2015</u> |
|-----------|-------------|-------------|
| | S\$ | S\$ |
| Term Loan | 3,227,184 | - |
| | ----- | ----- |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March 2016

Sensitivity analysis for interest rate risk:

A 1% increase of the interest rate as at the balance sheet date would have decrease the profit before tax by the amounts shown below. The analysis assumes that all other variables, remain constant.

| | 2016 | 2015 |
|-------------------------------|--------|------|
| | S\$ | S\$ |
| Profit before taxation | 32,272 | - |

A 1% decrease of the interest rate as at the balance sheet date would have had the equal opposite effect to the amounts shown above, on the basis that all over other variables remain constant

Credit Risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity Risk

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities as well as funding from the holding company.

Analysis of financial instruments by remaining contractual maturities:

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the year based on contractual undiscounted repayment obligations:

| | One year or less | 2016 Two to Five years | More than Five years | Total |
|--|---------------------|------------------------------|-------------------------|--------------------|
| | S\$ | S\$ | S\$ | S\$ |
| <u>Financial Assets</u> | | | | |
| Trade & Other | | | | |
| Receivables | 7,069,901 | - | - | 7,069,901 |
| Cash & Cash Equivalents | 4,257,825 | - | - | 4,257,825 |
| | ----- | ----- | ----- | ----- |
| Total undiscounted financial Assets | 11,327,726 | - | - | 11,327,726 |
| | ===== | ===== | ===== | ===== |
| <u>Financial Liabilities</u> | | | | |
| Trade and other Payables | (1,090,356) | - | - | (1,090,356) |
| Hire Purchase Creditors | (63,491) | (5,972) | - | (69,463) |
| Borrowings | (469,392) | (1,877,568) | (880,224) | (3,227,184) |
| | ----- | ----- | ----- | ----- |
| Total undiscounted financial liabilities | (1,623,239) | (1,883,540) | (880,224) | (4,387,003) |
| | ===== | ===== | ===== | ===== |
| Total net undiscounted financial assets / (liabilities) | 9,704,487 | (1883,540) | (880,224) | 6,940,723 |
| | ===== | ===== | ===== | ===== |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...*For the financial year ended 31st March 2016***Liquidity Risk (...cont'd)**

| | One year or less | 2015 Two to Five years | More than Five years | Total |
|--|---------------------|------------------------------|-------------------------|-------------|
| | S\$ | S\$ | S\$ | S\$ |
| <u>Financial Assets</u> | | | | |
| Trade & Other | | | | |
| Receivables | 6,565,843 | - | - | 6,565,843 |
| Cash & Cash Equivalents | 1,578,737 | - | - | 1,578,737 |
| | ----- | ----- | ----- | ----- |
| Total undiscounted financial Assets | 8,144,580 | - | - | 8,144,580 |
| | ===== | ===== | ===== | ===== |
| <u>Financial Liabilities</u> | | | | |
| Trade and other Payables | (1,026,093) | - | - | (1,026,093) |
| Hire Purchase Creditors | (61,511) | (68,844) | - | (130,355) |
| Borrowings | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Total undiscounted financial liabilities | (1,087,604) | (68,844) | - | (1,156,448) |
| | ===== | ===== | ===== | ===== |
| Total net undiscounted financial assets / (liabilities) | 7,056,976 | (68,844) | - | 6,988,132 |
| | ===== | ===== | ===== | ===== |

Estimation of fair values

The notional amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Capital Management

The Company policy is to maintain as adequate capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return of capital, which the Company defines as net operating income divided by total shareholders' equity. The Company funds its operations and growth through a mix of equity and debts. This includes the maintenance of adequate lines of credit, where necessary, and assessing the need to raise additional equity where required. No changes were made in the objectives, policies or processes during the period ended 31 March 2016 and 31 March 2015.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

| | 2016 | 2015 |
|---------------|------------|------------|
| | S\$ | S\$ |
| Net debt | 463,803 | 100,826 |
| Total Equity | 20,578,429 | 21,820,835 |
| Total Capital | 21,042,232 | 21,921,661 |
| | ----- | ----- |
| Gearing Ratio | 2.2% | - |
| | ----- | ----- |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Notes to the Financial Statements Continued/...

For the financial year ended 31st March 2016

Fair value measurements of financial assets and financial liabilities

The following table represents assets and liabilities measured at fair value and classified by the following fair value measurement hierarchy:-

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

| <u>Assets at Fair Value</u> | <u>Date of valuation</u> | <u>Level 1</u> S\$ | <u>Level 2</u> S\$ | <u>Level 3</u> S\$ | <u>Total</u> S\$ |
|-----------------------------|--------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Revalued assets: | 28 February | | | | |
| - Leasehold Building | 2009 | - | - | 7,417,383 | 7,417,383 |
| Total assets | | <u>-</u> | <u>-</u> | <u>7,417,383</u> | <u>7,417,383</u> |

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using the net asset value as per the investee Company's balance sheet at 31 March 2016.

There are no changes and transfers into or out of Level 3 instruments during the financial year ended 31 March 2016.

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

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

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.

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Income and Expenditure Account*For the financial year ended 31st March 2016*

| | 2016 S\$ | 2015 S\$ |
|--|--------------------|----------------|
| SALES | 31,803,123 | 33,551,182 |
| LESS: COST OF GOODS SOLD | | |
| Stock of finished goods at beginning of year | 5,696,504 | 5,341,553 |
| Add: Manufacturing costs - Schedule 1 | 29,600,143 | 30,366,762 |
| | ----- | ----- |
| | 35,296,647 | 35,708,315 |
| Less: Stock of finished goods at end of year | (4,804,409) | (5,696,504) |
| | ----- | ----- |
| | 30,492,238 | 30,011,811 |
| GROSS PROFIT | ----- | ----- |
| | 1,310,885 | 3,539,371 |
| Sale of Scrap | 411,492 | 422,001 |
| Written back of other payables | - | 23,496 |
| Special Employment Credit | 29,657 | 12,644 |
| Wages Credit Scheme | 54,096 | 33,334 |
| PIC Cash Payout | 60,000 | - |
| PIC Bonus | - | 7,066 |
| Interest Income | 16,359 | 3,890 |
| Bad debts recovered | - | - |
| Other Income | 46,540 | 5,395 |
| | ----- | ----- |
| | 618,144 | 507,826 |
| | ----- | ----- |
| | 1,929,029 | 4,047,197 |
| LESS: OVERHEAD EXPENSES | | |
| Selling & Distribution | | |
| Expenses - Schedule 2 | 1,343,797 | 1,120,562 |
| Administrative & Establishment | | |
| Expenses - Schedule 3 | 1,848,889 | 1,942,636 |
| Financial Charges - Schedule 4 | 64,151 | 25,123 |
| | ----- | ----- |
| | (3,256,837) | (3,088,321) |
| | ----- | ----- |
| (LOSS) / PROFIT FOR THE YEAR | (1,327,808) | 958,876 |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Manufacturing Account*For the financial year ended 31st March 2016*

| | 2016 | 2015 |
|---|-------------|-------------|
| | S\$ | S\$ |
| 1. MANUFACTURING COSTS: | | |
| Stock as at beginning of year | | |
| Raw Materials | 1,122,623 | 1,702,844 |
| Parts and Supplies | 210,955 | 215,481 |
| | ----- | ----- |
| | 1,333,578 | 1,918,325 |
| Purchases | | |
| Raw Materials and Parts and Supplies | 25,050,980 | 26,546,229 |
| | ----- | ----- |
| | 26,384,558 | 28,464,554 |
| LESS: Stock as at end of year | | |
| Raw Materials | 1,572,055 | 1,122,623 |
| Parts and Supplies | 219,033 | 210,955 |
| | ----- | ----- |
| | (1,791,088) | (1,333,578) |
| | ----- | ----- |
| | 24,593,470 | 27,130,976 |
| DIRECT LABOUR | 2,238,458 | 2,146,367 |
| | ----- | ----- |
| PRIME COST | 26,831,928 | 29,277,343 |
| FACTORY OVERHEADS: | | |
| Amortization of Leasehold land & Building | 184,265 | 184,615 |
| CPF Expenses | 142,651 | 123,336 |
| Cleaning Expenses | 38,034 | 30,501 |
| Consumables | 115,709 | 86,136 |
| Depreciation Expenses | 238,767 | 212,481 |
| Factory Transport | 80,425 | 76,963 |
| Foreign Workers Levy | 184,825 | 193,846 |
| Insurance | 32,995 | 35,737 |
| Land Rent | 177,392 | 168,143 |
| Medical Expenses | 29,469 | 30,744 |
| Miscellaneous Expenses - Factory | 11,156 | 10,482 |
| Power, Electricity & Water | 420,134 | 516,183 |
| Property Tax | 109,800 | 109,800 |
| Rent & Rates | 73,016 | 73,956 |
| Repair & Maintenance | 61,130 | 55,290 |
| Service Charges | 136,570 | 147,213 |
| Skill Development Levy | 768 | - |
| Telephone, Telex & Fax | 4,768 | - |
| Testing Fee | 151,640 | 104,658 |
| Training & Education | 8,013 | 17,832 |
| | ----- | ----- |
| | 2,201,527 | 2,177,916 |
| WORK IN PROGRESS: | | |
| As at beginning of year | 1,454,838 | 366,341 |
| LESS: As at end of year | (888,150) | (1,454,838) |
| | ----- | ----- |
| | 566,688 | (1,088,497) |
| | ----- | ----- |
| COST OF GOODS MANUFACTURED | 29,600,143 | 30,366,762 |

WILSON CABLES PRIVATE LIMITED

(Incorporated in Singapore)

Income and Expenditure Account*For the financial year ended 31st March 2016*

| | 2016 | 2015 |
|--|------------------|------------------|
| | S\$ | S\$ |
| 2. SELLING AND DISTRIBUTION EXPENSES: | | |
| Advertisement | 1,981 | 4,655 |
| CPF Expenses | 80,729 | 74,472 |
| Courier Charges | 21,509 | 23,860 |
| Delivery Expenses | 169,292 | 81,090 |
| Entertainment | 28,470 | 39,657 |
| Freight Expenses | 141,142 | 118,383 |
| Insurance | 62,976 | 10,015 |
| Motor Vehicle Expenses | 14,885 | 29,376 |
| Miscellaneous Expenses | 12,969 | 22,070 |
| Printing & Stationery | 5,075 | 1,210 |
| Sales Commission – Third party | 34,254 | 6,821 |
| Salary, Bonus and Commission | 644,211 | 604,982 |
| Sales Promotion Expenses | 17,095 | 37,645 |
| Subscription | 4,365 | 7,542 |
| Telecom Expenses | 11,130 | 8,805 |
| Travelling Expenses | 93,379 | 21,230 |
| Transport Expenses | 335 | 28,749 |
| | ----- | ----- |
| | <u>1,343,797</u> | <u>1,120,562</u> |

WILSON CABLES PRIVATE LIMITED
(Incorporated in Singapore)

Income and Expenditure Account
For the financial year ended 31st March 2016

| | 2016 S\$ | 2015 S\$ |
|--|-------------|-------------|
| 3. ADMINISTRATIVE AND ESTABLISHMENT EXPENSES: | | |
| Advertisements | 287 | 4,520 |
| Audit Fee | 16,000 | 13,000 |
| CPF Expenses | 53,238 | 62,638 |
| Consultancy Fee | 32,164 | 21,900 |
| Director Fee | 312,000 | 306,000 |
| Depreciation: | | |
| Computer | 51,709 | 52,479 |
| Office Equipment | 1,483 | 1,566 |
| Motor Vehicles | 35,134 | 39,568 |
| Furniture & Fittings | 3,898 | 3,866 |
| Entertainment | 7,432 | 10,366 |
| Insurance | 7,731 | 7,287 |
| Legal Fee | 5,511 | 15,905 |
| (Gain) on Disposal of Fixed Assets | (7,006) | (18,685) |
| Medical Expenses | 22,823 | 16,597 |
| Motor Vehicle Maintenance | - | 4,946 |
| Office Miscellaneous Expenses | 12,419 | 18,844 |
| Postage & Courier | 1,937 | 3,849 |
| Printing and Stationery | 17,226 | 25,126 |
| Professional Fee | 24,001 | 26,683 |
| Refreshment Expenses | 30,398 | 31,427 |
| Repair and Maintenance | 75,617 | 63,046 |
| Salaries & Bonus | 986,090 | 1,044,208 |
| Skill Development Fund-Levy | 6,189 | 7,258 |
| Subscriptions | 6,899 | 7,340 |
| Staff Welfare | 20,204 | 56,897 |
| Transport Expenses | 42,530 | 47,302 |
| Training & Education | 6,828 | 1,173 |
| Travelling Expenses | 54,285 | 40,113 |
| Telephone & Telex | 16,627 | 20,511 |
| Employee leave benefit | 5,235 | 6,906 |
| | 1,848,889 | 1,942,636 |
| 4. FINANCIAL CHARGES: | | |
| Bank Charges | 19,013 | 19,059 |
| Interest on Hire Purchase | 3,836 | 4,689 |
| Interest on Over-draft | - | 1,374 |
| Interest on Term Loan | 41,302 | - |
| | 64,151 | 25,123 |