

**WILSON CABLES PRIVATE LIMITED**

**(UEN: 197401983H)**

**(Incorporated in the Republic of Singapore)**

**FINANCIAL STATEMENTS - 31 MARCH 2018**

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The directors present their statement to the members together with the audited financial statements of Wilson Cables Private Limited (the "Company") for the financial year ended 31 March 2018.

In the opinion of the directors:

- (a) the financial statements as set out on pages 6 to 35 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Directors**

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

Ashwin Chidambaram Muthiah  
Sunil Sudhakar Deshmukh  
Allagarsamy s/o Palaniyappan  
Govind Dattatraya Panse

(Appointed on 9 March 2018)

**Arrangements to enable directors to acquire shares and debentures**

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

**Directors' interests in shares and debentures**

According to the register of directors' shareholdings, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| <u>Name of Director</u>  | <u>Direct interest</u>         |                                |
|--|--------------------------------|--------------------------------|
|  | <u>At</u><br><u>01.04.2017</u> | <u>At</u><br><u>31.03.2018</u> |
| Ordinary shares of Rs10 each of the holding company<br>(Sicagen India Limited) |                                |                                |
| Ashwin Chidambaram Muthiah   | 41,838                         | 41,838                         |

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**Share options**

No options were granted during the financial year to subscribe for unissued shares of the Company.

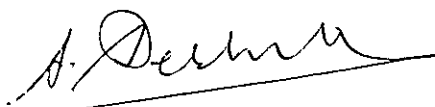
No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

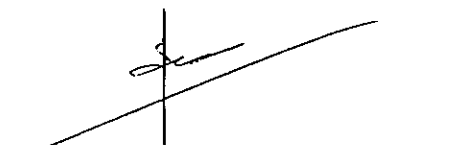
**Independent auditor**

The independent auditor, Robert Yam & Co., has expressed its willingness to accept re-appointment.

On behalf of the board of directors:



Sunil Sudhakar Deshmukh  
Director



Ashwin Chidambaram Muthiah  
Director

3 May 2018

## WILSON CABLES PRIVATE LIMITED

### Independent Auditor's Report For the financial year ended 31 March 2018

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To the members of WILSON CABLES PRIVATE LIMITED

#### Report on the Audit of the Financial Statements

##### *Opinion*

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the financial 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 included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

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

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

## WILSON CABLES PRIVATE LIMITED

Independent Auditor's Report  
For the financial year ended 31 March 2018

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To the members of WILSON CABLES PRIVATE LIMITED (cont'd)

### *Responsibilities of Management and Directors for the Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# ROBERT YAM & CO.

## WILSON CABLES PRIVATE LIMITED

**Independent Auditor's Report  
For the financial year ended 31 March 2018**

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**To the members of WILSON CABLES PRIVATE LIMITED (cont'd)**

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

- 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.

*Robert Yam & Co.*

Robert Yam & Co.  
Public Accountants and  
Chartered Accountants  
Singapore

3 May 2018

TCK\_DCC/MCD/CAL/rbm

**WILSON CABLES PRIVATE LIMITED****Statements of Financial Position  
As at 31 March 2018****6**

|                                     | Note | 2018<br>S\$                | 2017<br>S\$                |
|-------------------------------------|------|----------------------------|----------------------------|
| <b>ASSETS</b>                       |      |                            |                            |
| <b>Non-Current Assets</b>           |      |                            |                            |
| Property, plant and equipment       | 4    | 9,040,458                  | 8,196,878                  |
| <b>Current Assets</b>               |      |                            |                            |
| Inventories                         | 5    | 12,913,849                 | 12,865,602                 |
| Trade and other receivables         | 6    | 8,952,559                  | 5,678,919                  |
| Other current assets                | 7    | 242,660                    | 363,467                    |
| Cash and cash equivalents           | 8    | 246,077                    | 1,230,560                  |
|                                     |      | <u>22,355,145</u>          | <u>20,138,548</u>          |
| <b>Total assets</b>                 |      | <u>31,395,603</u><br>===== | <u>28,335,426</u><br>===== |
| <b>EQUITY AND LIABILITIES</b>       |      |                            |                            |
| <b>Equity</b>                       |      |                            |                            |
| Share capital                       | 9    | 5,886,216                  | 5,886,216                  |
| Retained earnings                   |      | 13,185,657                 | 13,897,149                 |
| <b>Total equity</b>                 |      | <u>19,071,873</u>          | <u>19,783,365</u>          |
| <b>Non-Current Liabilities</b>      |      |                            |                            |
| Deferred income tax liabilities     | 10   | 431,740                    | 457,309                    |
| Loans and borrowings                | 11   | 1,823,410                  | 2,281,738                  |
|                                     |      | <u>2,255,150</u>           | <u>2,739,047</u>           |
| <b>Current Liabilities</b>          |      |                            |                            |
| Trade and other payables            | 13   | 2,892,237                  | 3,104,511                  |
| Loans and borrowings                | 11   | 7,051,843                  | 2,691,765                  |
| Other financial liabilities         | 14   | 124,500                    | 16,738                     |
|                                     |      | <u>10,068,580</u>          | <u>5,813,014</u>           |
| <b>Net current assets</b>           |      | <u>12,286,565</u>          | <u>14,325,534</u>          |
| <b>Total liabilities</b>            |      | <u>12,323,730</u>          | <u>8,552,061</u>           |
| <b>Net assets</b>                   |      | <u>19,071,873</u>          | <u>19,783,365</u>          |
| <b>Total equity and liabilities</b> |      | <u>31,395,603</u><br>===== | <u>28,335,426</u><br>===== |

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



**WILSON CABLES PRIVATE LIMITED****Statements of Comprehensive Income  
For the financial year ended 31 March 2018****7**

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|  | Note | 2018<br>S\$             | 2017<br>S\$          |
|--|------|-------------------------|----------------------|
| Revenue  | 15   | 29,457,273              | 29,306,893           |
| Cost of sales  |      | (28,270,431)            | (26,301,799)         |
| Gross profit   |      | <u>1,186,842</u>        | <u>3,005,094</u>     |
| Other income   | 16   | 1,624,634               | 890,841              |
| Selling & distribution costs   |      | (1,526,265)             | (1,727,054)          |
| Administrative expenses  |      | (1,830,248)             | (2,004,214)          |
| Finance costs  | 19   | (192,420)               | (75,067)             |
| (Loss)/profit before tax   |      | <u>(737,457)</u>        | <u>89,600</u>        |
| Income tax benefit/(expense)   | 20   | 25,965                  | (23,092)             |
| Net (loss)/profit, representing total comprehensive<br>income for the year |      | <u><u>(711,492)</u></u> | <u><u>66,508</u></u> |

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

**WILSON CABLES PRIVATE LIMITED****Statements of Changes in Equity  
For the financial year ended 31 March 2018****8**

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|  | Share<br>capital<br>S\$ | Retained<br>earnings<br>S\$ | Total<br>S\$        |
|--|-------------------------|-----------------------------|---------------------|
| Balance at 1 April 2016  | 5,886,216               | 13,830,641                  | 19,716,857          |
| Net profit, representing total<br>comprehensive income<br>for the year | -                       | 66,508                      | 66,508              |
| Balance at 31 March 2017   | 5,886,216               | 13,897,149                  | 19,783,365          |
| Net loss, representing total<br>comprehensive income<br>for the year   | -                       | (711,492)                   | (711,492)           |
| Balance at 31 March 2018   | 5,886,216<br>=====      | 13,185,657<br>=====         | 19,071,873<br>===== |

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

**WILSON CABLES PRIVATE LIMITED**

**Statement of Cash Flows**  
**For the financial year ended 31 March 2018**

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|   | Note     | 2018<br>S\$        | 2017<br>S\$        |
|---|----------|--------------------|--------------------|
| <b>Cash flow from operating activities:</b>             |          |                    |                    |
| (Loss)/profit before taxation                           |          | (737,457)          | 89,600             |
| <b>Adjustments for:</b>                                 |          |                    |                    |
| Depreciation of property, plant and equipment           | 4        | 518,665            | 458,977            |
| Fair value loss/(gain) on other financial liabilities   | 18       | 107,762            | (28,737)           |
| Interest income   | 16       | (349)              | (16,932)           |
| Finance costs   | 19       | 192,420            | 75,067             |
| Loss on disposal of property, plant and equipment       | 18       | 500                | 1,349              |
|   |          | <u>81,541</u>      | <u>579,324</u>     |
| Operating surplus before working capital changes        |          |                    |                    |
| <b>Changes in working capital:</b>                      |          |                    |                    |
| Trade and other receivables                             |          | (3,273,640)        | 994,815            |
| Other current assets                                    |          | 120,807            | (151,937)          |
| Inventories   |          | (48,247)           | (5,381,955)        |
| Trade and other payables                                |          | (212,274)          | 1,679,530          |
|   |          | <u>(3,331,813)</u> | <u>(2,280,223)</u> |
| Cash used in operations                                 |          |                    |                    |
| Interest received                                       |          | 349                | 16,932             |
| Income tax refund                                       |          | 396                | 31,642             |
|   |          | <u>(3,331,068)</u> | <u>(2,231,649)</u> |
| Net cash used in operating activities                   |          |                    |                    |
| <b>Cash flows from investing activities:</b>            |          |                    |                    |
| Purchase of property, plant and equipment               | 4        | (1,363,052)        | (2,398,906)        |
| Proceeds from disposal of property, plant and equipment |          | 307                | 1,501              |
|   |          | <u>(1,362,745)</u> | <u>(2,397,405)</u> |
| Net cash used in investing activities                   |          |                    |                    |
| <b>Cash flows from financing activities:</b>            |          |                    |                    |
| Interest paid   |          | (192,420)          | (75,067)           |
| Repayment of obligations under finance lease            |          | (5,533)            | (63,930)           |
| Net proceeds from bank borrowings                       |          | 3,823,671          | 1,261,394          |
|   |          | <u>3,625,718</u>   | <u>1,122,397</u>   |
| Net cash from financing activities                      |          |                    |                    |
| Net decrease in cash and cash equivalents               |          | (1,068,095)        | (3,506,657)        |
| Cash and cash equivalents at the beginning of year      |          | 751,168            | 4,257,825          |
|   |          | <u>751,168</u>     | <u>4,257,825</u>   |
| <b>Cash and cash equivalents at the end of year</b>     | <b>8</b> | <b>(316,927)</b>   | <b>751,168</b>     |
|   |          | <u>=====</u>       | <u>=====</u>       |

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

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

**1. General information**

Wilson Cables Private Limited (the "Company") is a limited liability private company incorporated and domiciled in Singapore. The address of its registered office and principal place of business is located at 142 Gul Circle, Jurong Industrial Estate, Singapore 629602.

The principal activities of the Company are those relating to manufacture and sale of cables, wires and other related products and general wholesale trade.

The Company's immediate and ultimate holding company is Sicagen India Limited, a company incorporated in India.

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 3 May 2018.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

**2.2 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.

Depreciation on leasehold buildings, renovation and computers is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives of 20 years, 18.9 years and 3 years, respectively.

**2. Significant accounting policies (cont'd)****2.2 Property, plant and equipment (cont'd)**

Depreciation on other property, plant and equipment is calculated using the reducing balance method to allocate their depreciable amounts over their estimated useful lives as follows:

|                                    | <u>Useful lives</u> |
|------------------------------------|---------------------|
| Plant and machinery                | 5 - 10 years        |
| Electrical fittings & installation | 10 years            |
| Factory equipment                  | 10 years            |
| Laboratory equipment               | 10 years            |
| Office equipment                   | 10 years            |
| Furniture & fittings               | 10 years            |
| Motor vehicles                     | 5 years             |

Construction work in progress are not depreciated as they are not available for use.

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 residual value, useful life and depreciation method are reviewed at each financial year-end, 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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

**2.3 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 groups 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, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

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2. Significant accounting policies (cont'd)

2.4 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.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 had 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.

2. Significant accounting policies (cont'd)

2.4 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Financial liabilities at amortised cost

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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or 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 derecognition 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.

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**2. Significant accounting policies (cont'd)**

**2.5 Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

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 asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts 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 been 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 a 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 profit or loss.

**2.6 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



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**2. Significant accounting policies (cont'd)****2.7 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, and fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included in cash and cash equivalents.

**2.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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.

**2.9 Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income are recognised in profit or loss and included in other income on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

**2.10 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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**2. Significant accounting policies (cont'd)**

**2.11 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.

**2.12 Employee benefits**

**(a) Defined contribution plans**

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

**(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 end of the reporting period.

**2.13 Revenue recognition**

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

(a) Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. 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.

(b) Interest income is recognised using the effective interest method.

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**2. Significant accounting policies (cont'd)**

**2.14 Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

**2.15 Currency translation**

The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. 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 determined.

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**3. 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.

**3.1 Inventory valuation method**

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amounts of inventories at the end of each reporting period are disclosed in Note 5 (Inventories) to the financial statements.

**3.2 Impairment of loans and receivables**

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Company considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of loans and receivables at the end of the reporting period are disclosed in Note 6 (Trade and other receivables) to the financial statements.

**3.3 Taxes**

The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final outcome on these matters is different from the amounts that were initially recognised, such differences will impact on the current income tax and deferred income tax positions in the period in which such determination is made. The carrying amounts of income tax recoverable and deferred income tax liabilities at the end of the reporting period were S\$Nil (2017: S\$1,061) and S\$431,740 (2017: S\$457,309), respectively.

4. Property, plant and equipment

|   | Leasehold Building S\$ | Plant and machinery S\$ | Electrical fittings & installation S\$ | Factory equipment S\$ | Laboratory equipment S\$ | Office equipment S\$ | Furniture & fittings S\$ | Motor vehicles S\$ | Computers S\$  | Construction work in progress S\$ | Renovation S\$ | Total S\$         |
|---|------------------------|-------------------------|--|-----------------------|--------------------------|----------------------|--------------------------|--------------------|----------------|-----------------------------------|----------------|-------------------|
| <b>2018</b>   |                        |                         |  |                       |                          |                      |                          |                    |                |                                   |                |                   |
| <b>Cost</b>   |                        |                         |  |                       |                          |                      |                          |                    |                |                                   |                |                   |
| As at 01.04.2017                                      | 5,024,678              | 9,495,761               | 474,021                                | 216,393               | 302,965                  | 70,394               | 140,585                  | 204,687            | 434,451        | 2,638,498                         | -              | 19,002,433        |
| -- Additions  | -                      | 28,001                  | 2,900                                  | 800                   | 13,335                   | 466                  | -                        | -                  | 10,898         | 1,306,652                         | -              | 1,363,052         |
| -- Disposals  | -                      | (9,900)                 | -                                      | -                     | -                        | -                    | -                        | -                  | (1,073)        | -                                 | -              | (10,973)          |
| -- Reclassification                                   | 2,962,134              | 530,710                 | 250,870                                | -                     | -                        | 42,152               | 55,856                   | -                  | -              | (3,945,150)                       | 103,428        | -                 |
| <b>As at 31.03.2018</b>                               | <b>7,986,812</b>       | <b>10,044,572</b>       | <b>727,791</b>                         | <b>217,193</b>        | <b>316,300</b>           | <b>113,012</b>       | <b>196,441</b>           | <b>204,687</b>     | <b>444,276</b> | <b>-</b>                          | <b>103,428</b> | <b>20,354,512</b> |
| <b>Accumulated depreciation and impairment losses</b> |                        |                         |  |                       |                          |                      |                          |                    |                |                                   |                |                   |
| As at 01.04.2017                                      | 1,716,283              | 7,641,598               | 415,318                                | 153,250               | 245,211                  | 33,717               | 108,728                  | 96,819             | 394,631        | -                                 | -              | 10,805,555        |
| Charge for the year                                   | 223,797                | 221,042                 | 11,970                                 | 6,078                 | 6,382                    | 4,576                | 4,428                    | 19,702             | 19,322         | -                                 | 1,368          | 518,665           |
| Disposal  | -                      | (9,093)                 | -                                      | -                     | -                        | -                    | -                        | -                  | (1,073)        | -                                 | -              | (10,166)          |
| <b>As at 31.03.2018</b>                               | <b>1,940,080</b>       | <b>7,853,547</b>        | <b>427,288</b>                         | <b>159,328</b>        | <b>251,593</b>           | <b>38,293</b>        | <b>113,156</b>           | <b>116,521</b>     | <b>412,880</b> | <b>-</b>                          | <b>1,368</b>   | <b>11,314,054</b> |
| <b>Net book value</b>                                 |                        |                         |  |                       |                          |                      |                          |                    |                |                                   |                |                   |
| As at 31.03.2018                                      | 6,046,732              | 2,191,025               | 300,503                                | 57,865                | 64,707                   | 74,719               | 83,285                   | 88,166             | 31,396         | -                                 | 102,060        | 9,040,458         |
| As at 31.03.2017                                      | 3,308,395              | 1,854,163               | 58,703                                 | 63,143                | 57,754                   | 36,677               | 31,857                   | 107,868            | 39,820         | 2,638,498                         | -              | 8,196,878         |

4. Property, plant and equipment (cont'd)

|   | Leasehold building<br>S\$ | Plant and machinery<br>S\$ | Electrical fittings & installation<br>S\$ | Factory equipment<br>S\$ | Laboratory equipment<br>S\$ | Office equipment<br>S\$ | Furniture & fittings<br>S\$ | Motor vehicles<br>S\$ | Computers<br>S\$ | Construction work in progress<br>S\$ | Total<br>S\$ |
|---|---------------------------|----------------------------|---|--------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------|------------------|--------------------------------------|--------------|
| <b>Cost</b>   |                           |                            |   |                          |                             |                         |                             |                       |                  |                                      |              |
| As at 01.04.2016                                      | 5,024,678                 | 9,444,098                  | 472,791                                   | 205,118                  | 307,165                     | 43,799                  | 140,585                     | 204,687               | 395,284          | 385,072                              | 16,623,277   |
| Additions   | -                         | 65,663                     | 2,780                                     | 11,275                   | -                           | 26,595                  | -                           | -                     | 39,167           | 2,253,426                            | 2,398,906    |
| Disposals   | -                         | (14,000)                   | (1,550)                                   | -                        | (4,200)                     | -                       | -                           | -                     | -                | -                                    | (19,750)     |
| As at 31.03.2017                                      | 5,024,678                 | 9,495,761                  | 474,021                                   | 216,393                  | 302,965                     | 70,394                  | 140,585                     | 204,687               | 434,451          | 2,638,498                            | 19,002,433   |
| <b>Accumulated depreciation and impairment losses</b> |                           |                            |   |                          |                             |                         |                             |                       |                  |                                      |              |
| As at 01.04.2016                                      | 1,532,018                 | 7,446,179                  | 410,217                                   | 147,062                  | 240,831                     | 30,458                  | 105,363                     | 72,661                | 378,689          | -                                    | 10,363,478   |
| Charge for the year                                   | 184,265                   | 209,419                    | 6,082                                     | 6,188                    | 6,299                       | 3,259                   | 3,365                       | 24,158                | 15,942           | -                                    | 458,977      |
| Disposal  | -                         | (14,000)                   | (981)                                     | -                        | (1,919)                     | -                       | -                           | -                     | -                | -                                    | (16,900)     |
| As at 31.03.2017                                      | 1,716,283                 | 7,641,598                  | 415,318                                   | 153,250                  | 245,211                     | 33,717                  | 108,728                     | 96,819                | 394,631          | -                                    | 10,805,555   |
| <b>Net book value</b>                                 |                           |                            |   |                          |                             |                         |                             |                       |                  |                                      |              |
| As at 31.03.2017                                      | 3,308,395                 | 1,854,163                  | 58,703                                    | 63,143                   | 57,754                      | 36,677                  | 31,857                      | 107,868               | 39,820           | 2,638,498                            | 8,196,878    |
| 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           | 385,072                              | 6,259,799    |

(a) Construction work in progress relates to alteration of the factory building and include borrowing costs arising from bank loans for which the management is of the view that the borrowing costs would have been avoided if the expenditure on the construction had not been made. During the financial year, the borrowing costs capitalised as cost of construction work in progress amounted to S\$32,916 (2017: S\$76,787). The rate used to determine the amount of borrowing costs eligible for capitalisation was 2.95% (2017: 2.95%), which is the effective interest rate of the borrowing. The construction was completed in August 2017.

(b) The leasehold building with a carrying amount of S\$6,046,732 (2017: S\$3,308,395) is mortgaged to secure the Company's bank loans (Note 11).

5. Inventories

|                                | 2018<br>S\$       | 2017<br>S\$       |
|--------------------------------|-------------------|-------------------|
| Raw materials                  | 3,310,564         | 3,640,688         |
| Parts and supplies             | 380,814           | 426,902           |
| Work-in-progress               | 884,566           | 377,649           |
| Finished goods & trading stock | 8,337,905         | 7,393,976         |
| Goods in transit               | -                 | 1,026,387         |
|                                | <u>12,913,849</u> | <u>12,865,602</u> |
|                                | =====             | =====             |

6. Trade and other receivables

|   | 2018<br>S\$      | 2017<br>S\$      |
|---|------------------|------------------|
| Trade receivables:                            |                  |                  |
| Non-related parties                           | 8,217,743        | 5,146,979        |
| Less: Allowance for impairment of receivables | (100,644)        | (41,353)         |
|   | <u>8,117,099</u> | <u>5,105,626</u> |
| Amount due from holding company               | 160,000          | 200,000          |
| Amount due from a related company             | 37,500           | 25,000           |
| Refundable deposits                           | 111,470          | 104,795          |
| Government grants                             | -                | 9,531            |
| Sundry receivables                            | 526,490          | 233,967          |
|   | <u>8,952,559</u> | <u>5,678,919</u> |
|   | =====            | =====            |

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Sundry receivables and amounts due from holding company and a related company are non-trade related, unsecured, non-interest bearing and repayable upon demand.

Included in sundry receivables is an amount of S\$506,707 (2017: S\$184,067) due from a non-related party for costs incurred in the setup of a proposed joint venture in Myanmar.

Trade and other receivables denominated in foreign currency at the end of the reporting period are as follows:

|                      | 2018<br>S\$      | 2017<br>S\$    |
|----------------------|------------------|----------------|
| United States Dollar | <u>1,449,433</u> | <u>726,620</u> |
|                      | =====            | =====          |

**6. Trade and other receivables (cont'd)**Trade receivables that are past due but not impaired

The age analysis of trade receivables past due but not impaired at the end of the reporting period is as follows:

|                   | 2018<br>S\$      | 2017<br>S\$      |
|-------------------|------------------|------------------|
| Less than 30 days | 1,741,109        | 1,428,467        |
| 31 - 60 days      | 1,595,156        | 658,058          |
| More than 60 days | 886,868          | 904,426          |
|                   | <u>4,223,133</u> | <u>2,990,951</u> |
|                   | =====            | =====            |

Trade receivables that are impaired

The carrying amount of trade receivables individually determined to be impaired at the end of the reporting period and the movement in the related allowance for impairment are as follows:

|   | 2018<br>S\$    | 2017<br>S\$   |
|---|----------------|---------------|
| Trade receivables – nominal amount        | 107,688        | 41,353        |
| Less: Allowance for impairment            | (100,644)      | (41,353)      |
|   | <u>7,044</u>   | <u>-</u>      |
|   | =====          | =====         |
| Movement in the allowance for impairment: |                |               |
| Beginning of financial year               | 41,353         | 593,313       |
| Charge for the year                       | 61,829         | 41,353        |
| Written off                               | (2,538)        | (593,313)     |
|   | <u>100,644</u> | <u>41,353</u> |
|   | =====          | =====         |

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**7. Other current assets**

|                        | 2018<br>S\$    | 2017<br>S\$    |
|------------------------|----------------|----------------|
| Prepayments            | 42,316         | 58,997         |
| GST receivables        | 200,344        | 303,409        |
| Income tax recoverable | -              | 1,061          |
|                        | <u>242,660</u> | <u>363,467</u> |
|                        | =====          | =====          |



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**8. Cash and cash equivalents**

|                | 2018<br>S\$    | 2017<br>S\$      |
|----------------|----------------|------------------|
| Cash on hand   | 5,000          | 8,000            |
| Cash at bank   | 241,077        | 461,662          |
| Fixed deposits | -              | 760,898          |
|                | <u>246,077</u> | <u>1,230,560</u> |
|                | =====          | =====            |

Cash and cash equivalents denominated in foreign currency at the end of the reporting period are as follows:

|                       | 2018<br>S\$    | 2017<br>S\$   |
|-----------------------|----------------|---------------|
| United States Dollars | <u>227,390</u> | <u>29,133</u> |
|                       | =====          | =====         |

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

|   | 2018<br>S\$      | 2017<br>S\$    |
|---|------------------|----------------|
| Cash and bank balances (as above)                     | 246,077          | 1,230,560      |
| Less: Bank overdrafts (Note 11)                       | (563,004)        | (479,392)      |
| Cash and cash equivalents per statement of cash flows | <u>(316,927)</u> | <u>751,168</u> |
|   | =====            | =====          |

**9. Share capital**

|                                     | 2018 & 2017                 |           |
|-------------------------------------|-----------------------------|-----------|
|                                     | No of<br>ordinary<br>shares | S\$       |
| <u>Issued and fully paid</u>        |                             |           |
| Beginning and end of financial year | 5,886,216                   | 5,886,216 |
|                                     | =====                       | =====     |

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The Company has one class of ordinary shares which carry one vote per share without restriction. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company.

**10. Deferred income tax liabilities**

|   | Accelerated<br>tax<br>depreciation<br>S\$ | Tax<br>losses<br>S\$ | Other<br>temporary<br>differences<br>S\$ | Total<br>S\$   |
|---|---|----------------------|--|----------------|
| <b>2018</b>                             |   |                      |  |                |
| At 1.4.2017                             | 805,968                                   | (152,486)            | (196,173)                                | 457,309        |
| Charged/(credited)<br>to profit of loss | 63,151                                    | (256,799)            | 168,079                                  | (25,569)       |
| At 31.3.2018                            | <u>869,119</u>                            | <u>(409,285)</u>     | <u>(28,094)</u>                          | <u>431,740</u> |
| <b>2017</b>                             |   |                      |  |                |
| At 1.4.2016                             | 848,545                                   | (152,486)            | (293,484)                                | 402,575        |
| Charged/(credited)<br>to profit of loss | (42,577)                                  | -                    | 97,311                                   | 54,734         |
| At 31.3.2017                            | <u>805,968</u>                            | <u>(152,486)</u>     | <u>(196,173)</u>                         | <u>457,309</u> |

**11. Loans and borrowings**

|  | 2018<br>S\$      | 2017<br>S\$      |
|--|------------------|------------------|
| <b>Current:</b>                          |                  |                  |
| Obligation under finance lease (Note 12) | -                | 5,533            |
| Term loan                                | 507,603          | 479,132          |
| Trust receipts/import financing          | 4,978,489        | 1,125,250        |
| Revolving credit facility                | 1,002,747        | -                |
| Fixed advance facility                   | -                | 602,458          |
| Bank overdraft                           | 563,004          | 479,392          |
|  | <u>7,051,843</u> | <u>2,691,765</u> |
| <b>Non-Current:</b>                      |                  |                  |
| Term loan                                | <u>1,823,410</u> | <u>2,281,738</u> |
| Total borrowings                         | <u>8,875,253</u> | <u>4,973,503</u> |

The term loan bears interest at 1% above the Bank's cost of funds for interest period of 1 or 3 months (2017: the Bank's prevailing Enterprise Financing Rate minus 3.05%) and is repayable over 60 (2017: 84) monthly instalments from the date of the first disbursement.

Trust receipt/import financing facility bears interest at the Bank's 2.25% above the Bank's cost of funds (2017: prevailing prime rate plus 1.00% per annum) and for maximum tenor of 150 days inclusive of suppliers' credit.

Revolving credit facility bears interest at 2.5% above the Bank's cost of funds for interest period of 1 or 3 months. There is no such facility in the previous reporting period.

Fixed advance facility was fully repaid during the year. The facility bore interest at the prevailing 1, 3 or 6-month SIBOR plus 2.50% per annum in the previous reporting period. and was repayable over 8 monthly instalments commencing in October 2016.

**11. Loans and borrowings (cont'd)**

Bank overdraft bears interest at the Bank's prevailing prime rate (2017: prevailing prime rate plus 1.25% per annum).

The term loans, trust receipt facility, revolving credit facility and bank overdraft (2017: term loans, import financing facility, fixed advance facility and bank overdraft) are secured by a first legal mortgage over the property at 142 Gul Circle, Jurong Industrial Estate, Singapore 629602 (2017: a first legal mortgage over the property at 142 Gul Circle, Jurong Industrial Estate, Singapore 629602 and a fixed and floating charge on the Company's assets and undertakings, both present and future).

**12. Obligations under finance lease**

The Company leased a motor vehicle from non-related parties under finance lease in the previous reporting period. The lease agreement did not have renewal clauses but provide the Company with options to purchase the lease asset at nominal values at the end of the lease term.

The present values of finance lease liabilities and the minimum lease payments due within 1 year amounted to S\$5,533 in the previous reporting period. The lease was fully repaid during the reporting period.

**13. Trade and other payables**

|   | 2018<br>S\$      | 2017<br>S\$      |
|---|------------------|------------------|
| Trade payables - non-related parties      | 2,438,460        | 2,677,596        |
| Amount due to holding company - non-trade | 89,723           | 43,096           |
| Accrued expenses                          | 364,054          | 383,819          |
|   | <u>2,892,237</u> | <u>3,104,511</u> |
|   | =====            | =====            |

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

Amount due to holding company is non-trade related, unsecured, non-interest bearing and are normally settled on 30 to 60 days' terms.

Trade and other payables denominated in foreign currencies at the end of the reporting period are as follows:

|                      | 2018<br>S\$    | 2017<br>S\$      |
|----------------------|----------------|------------------|
| United States Dollar | 743,801        | 1,645,521        |
| Indian Rupee         | 89,723         | 43,096           |
| Euro                 | 20,530         | -                |
|                      | <u>854,054</u> | <u>1,688,617</u> |
|                      | =====          | =====            |

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**14. Other financial liabilities**

|                                    | 2018<br>S\$ | 2017<br>S\$ |
|------------------------------------|-------------|-------------|
| Derivative liabilities:            |             |             |
| Forward foreign exchange contracts | 124,500     | 16,738      |
|                                    | =====       | =====       |

The contract/notional amount is US\$3,957,093 (2017: US\$2,825,000). Forward foreign exchange contracts are used to hedge foreign currency risk arising from the Company's purchases denominated in USD for which firm commitments existed at the end of the reporting period, extending to March 2019 (2017: May 2017).

**15. Revenue**

|                | 2018<br>S\$ | 2017<br>S\$ |
|----------------|-------------|-------------|
| Sales of goods | 29,457,273  | 29,306,893  |
|                | =====       | =====       |

**16. Other income**

|  | 2018<br>S\$ | 2017<br>S\$ |
|--|-------------|-------------|
| Sale of scrap                          | 1,147,817   | 546,874     |
| Special employment credit              | 6,201       | 19,060      |
| Wages credit scheme                    | 31,923      | 24,762      |
| PIC cash pay-out                       | -           | 34,684      |
| Temporary Employment Credit            | 9,694       | 18,529      |
| Interest income                        | 349         | 16,932      |
| Share of expenses by related companies | 410,000     | 230,000     |
| Sundry income                          | 18,650      | -           |
|  | =====       | =====       |
|  | 1,624,634   | 890,841     |
|  | =====       | =====       |

**17. Employee benefits expense**

|  | 2018<br>S\$ | 2017<br>S\$ |
|--|-------------|-------------|
| Salaries, bonuses and allowances (including directors) | 3,959,719   | 4,155,894   |
| Central Provident Fund contributions                   | 286,369     | 289,853     |
|  | =====       | =====       |
|  | 4,246,088   | 4,445,747   |
|  | =====       | =====       |

**WILSON CABLES PRIVATE LIMITED**

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**For the financial year ended 31 March 2018**

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| <b>18. Expenses by nature</b>  | <b>2018</b>       | <b>2017</b>       |
|--|-------------------|-------------------|
|  | <b>S\$</b>        | <b>S\$</b>        |
| Allowance for doubtful debts   | 61,829            | 41,353            |
| Cost of inventories recognised as expenses   | 23,970,119        | 22,342,166        |
| Consumables  | 104,429           | 176,142           |
| Delivery and freight expenses  | 358,825           | 359,331           |
| Depreciation of property, plant and equipment (Note 4)   | 518,665           | 458,977           |
| Directors' fees (Note 22)  | 312,000           | 312,000           |
| Employee benefits expense (Note 17)  | 4,246,088         | 4,445,747         |
| Fair value loss/(gain) on other financial liabilities  | 107,762           | (28,737)          |
| Finance costs (Note 19)  | 192,420           | 75,067            |
| Foreign worker levy  | 216,274           | 220,677           |
| (Loss)/gain on exchange  | 155,450           | (175,648)         |
| Land rent  | 170,321           | 178,595           |
| Loss on disposal of property, plant and equipment  | 500               | 1,349             |
| Property tax   | 102,937           | 109,800           |
| Rent and rates   | 70,833            | 71,774            |
| Repair and maintenance   | 171,684           | 121,292           |
| Sales commission   | 3,609             | 112,755           |
| Service charges  | 152,414           | 143,228           |
| Testing fees   | 94,792            | 96,364            |
| Transport and travelling   | 317,979           | 312,332           |
| Utilities  | 301,687           | 334,718           |
| Other expenses   | 188,747           | 398,852           |
|  | <hr/>             | <hr/>             |
| Total cost of sales, selling and distribution expenses,<br>administrative expenses and finance costs | <b>31,819,364</b> | <b>30,108,134</b> |
|  | =====             | =====             |
| <br><b>19. Finance costs</b>   |                   |                   |
|  | <b>2018</b>       | <b>2017</b>       |
|  | <b>S\$</b>        | <b>S\$</b>        |
| Interest expense on:   |                   |                   |
| - Bank loans   | 98,370            | 130,351           |
| - Interest on bank overdraft   | 21,194            | -                 |
| - Import financing   | 105,937           | 20,705            |
| - Obligations under finance lease  | (165)             | 798               |
|  | <hr/>             | <hr/>             |
|  | 225,336           | 151,854           |
| Less: Interest expense capitalised in property,<br>plant and equipment (Note 4)                      | (32,916)          | (76,787)          |
|  | <hr/>             | <hr/>             |
| Total finance costs  | <b>192,420</b>    | <b>75,067</b>     |
|  | =====             | =====             |

| 20. Income taxes  | 2018<br>S\$ | 2017<br>S\$ |
|---|-------------|-------------|
| Current income tax:                                       |             |             |
| - Over provision in respect of previous years             | (396)       | (31,642)    |
| Deferred income tax:                                      |             |             |
| - Origination and reversal of temporary differences       | (118,943)   | (2,798)     |
| - Under provision in respect of prior years               | 93,374      | 57,532      |
|   | (25,569)    | 54,734      |
| Income tax (benefit)/expense recognised in profit or loss | (25,965)    | 23,092      |
| <u>Reconciliation of effective tax rate</u>               |             |             |
| (Loss)/profit before tax                                  | (737,457)   | 89,600      |
| Tax at Singapore tax rate of 17% (2017: 17%)              | (125,368)   | 15,232      |
| Effects of:   |             |             |
| - expenses not deductible for tax purposes                | 6,114       | 1,945       |
| - under/(over) provision in respect of previous years     | 92,978      | 25,890      |
| - tax incentives  | -           | (19,975)    |
| - others  | 311         | -           |
| Income tax (benefit)/expense recognised in profit or loss | (25,965)    | 23,092      |

**21. Operating lease commitments – where the Company is a lessee**

The Company leases office premises from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

|                            | 2018<br>S\$ | 2017<br>S\$ |
|----------------------------|-------------|-------------|
| Not later than 1 year      | 218,092     | 259,049     |
| Between 1 year and 5 years | 676,369     | 759,696     |
| Later than 5 years         | 2,235,495   | 2,523,622   |
|                            | 3,129,956   | 3,542,367   |

**22. Related party transactions****(a) Sale and purchase of goods and services**

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

|  | 2018<br>S\$ | 2017<br>S\$ |
|--|-------------|-------------|
| Share of expenses by holding company   | 360,000     | 200,000     |
| Share of expenses by a related company | 50,000      | 30,000      |
| Services rendered by holding company   | (89,723)    | (43,096)    |
|  | =====       | =====       |

**(b) Compensation of key management personnel**

|                                      | 2018<br>S\$ | 2017<br>S\$ |
|--------------------------------------|-------------|-------------|
| Directors' fees (Note 18)            | 312,000     | 312,000     |
| Salaries, bonuses and allowances     | 1,080,502   | 920,650     |
| Central Provident Fund contributions | 37,085      | 9,952       |
|                                      | -----       | -----       |
|                                      | 1,429,587   | 1,242,602   |
|                                      | =====       | =====       |
| Comprise amounts paid to:            |             |             |
| Directors                            | 1,010,296   | 1,026,317   |
| Other key management personnel       | 419,291     | 216,285     |
|                                      | -----       | -----       |
|                                      | 1,429,587   | 1,242,602   |
|                                      | =====       | =====       |

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

Related companies are subsidiaries and associates of Sicagen India Limited and its subsidiaries.

**23. Categories of financial assets and liabilities**

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

|                               | Note | 2018<br>S\$ | 2017<br>S\$ |
|-------------------------------|------|-------------|-------------|
| <u>Financial assets</u>       |      |             |             |
| Loans and receivables:        |      |             |             |
| - Trade and other receivables | 6    | 8,952,559   | 5,678,919   |
| - Cash and cash equivalents   | 8    | 246,077     | 1,230,560   |
|                               |      | -----       | -----       |
|                               |      | 9,198,636   | 6,909,479   |
|                               |      | =====       | =====       |

**23. Categories of financial assets and liabilities (cont'd)**

|  | Note | 2018<br>S\$       | 2017<br>S\$      |
|--|------|-------------------|------------------|
| <u>Financial liabilities</u>   |      |                   |                  |
| Financial liabilities measured at amortised cost:                    |      |                   |                  |
| - Loans and borrowings   | 11   | 8,875,253         | 4,973,503        |
| - Trade and other payables   | 13   | 2,892,237         | 3,104,511        |
|  |      | <u>11,767,490</u> | <u>8,078,014</u> |
| Financial liabilities measured at fair value through profit or loss: |      |                   |                  |
| - Other financial liabilities  | 14   | 124,500           | 16,738           |
|  |      | <u>11,891,990</u> | <u>8,094,752</u> |
|  |      | =====             | =====            |

A description of the accounting policies for each category of financial instruments is disclosed in Note 2.4 (Financial instruments). A description of the Company's financial risk management objectives and policies for financial instruments is given in Note 24.

**24. Financial risk management**

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, interest rate risk, currency risk and liquidity risk.

The board of directors reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been, throughout the current and previous financial year, 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 risk.

**(a) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are trade receivables and cash and cash equivalents. For trade receivables, the Company adopts the policy of dealing with customers of appropriate credit standing and history. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing only with high credit quality counterparties.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.



**24. Financial risk management (cont'd)****(a) Credit risk (cont'd)**Credit risk concentration profile

The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

|                   | < ————— 2018 ————— > |             | < ————— 2017 ————— > |             |
|-------------------|----------------------|-------------|----------------------|-------------|
|                   | S\$                  | % of total  | S\$                  | % of total  |
| <u>By country</u> |                      |             |                      |             |
| Singapore         | 5,382,038            | 66%         | 3,174,546            | 62%         |
| Myanmar           | 1,458,514            | 18%         | 748,420              | 15%         |
| Cambodia          | 881,729              | 11%         | 637,766              | 13%         |
| Indonesia         | 368,694              | 4%          | 471,279              | 9%          |
| Others            | 26,124               | 1%          | 73,615               | 1%          |
|                   | <u>8,117,099</u>     | <u>100%</u> | <u>5,105,626</u>     | <u>100%</u> |
|                   | =====                | =====       | =====                | =====       |

At the end of the reporting period, approximately 81% (2017: 64%) of the Company's trade receivables were due from 24 (2017: 19) customers.

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 and available-for-sale financial assets that are neither past due nor impaired 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 past due and/or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade and other receivables).

**(b) 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 cash flows interest rate risk arises primarily from non-current loans and borrowings at variable rate. The Company has no policy to hedge against this interest rate risk.

Sensitivity analysis for interest rate risk

The Company's borrowings at variable rate on which effective hedge has not been entered into are denominated mainly in Singapore Dollar (SGD). If the SGD interest rate had been higher/lower by 1% (2017: 1%) with all other variables including tax rate being held constant, the loss after tax would have been lower/higher by S\$73,665 (2017: S\$49,680) as a result of higher/lower interest expense on these borrowings.

**24. Financial risk management (cont'd)****(c) Currency risk**

The Company incurs currency risk on transactions and balances that are denominated in a currency other than Singapore Dollar (SGD). The currency giving rise to this risk are primarily United States Dollar (USD). The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at forward and spot rates, where necessary, to address short term imbalances.

Sensitivity analysis for currency risk

The following table demonstrates the effects arising from the net financial liability/asset position to a reasonably possible change in the USD exchange rate against SGD, with all other variables including tax rate being held constant.

|                                      | 2018<br>Loss<br>after tax<br>S\$ | 2017<br>Loss<br>after tax<br>S\$ |
|--------------------------------------|----------------------------------|----------------------------------|
| USD/SGD – strengthened 6% (2017: 6%) | (23,233)                         | (44,310)                         |
| USD/SGD – weakened 6% (2017: 6%)     | 23,233                           | 44,310                           |

**(d) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The directors are satisfied that funds are available to finance the operations of the Company.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

|                             | 1 year<br>or less<br>S\$ | 1 to 5<br>years<br>S\$ | Over<br>5 years<br>S\$ | Total<br>S\$      |
|-----------------------------|--------------------------|------------------------|------------------------|-------------------|
| <b><u>2018</u></b>          |                          |                        |                        |                   |
| Trade and other payables    | 2,892,237                | -                      | -                      | 2,892,237         |
| Loans and borrowings        | 7,100,001                | 1,895,608              | -                      | 8,995,609         |
| Other financial liabilities | 124,500                  | -                      | -                      | 124,500           |
|                             | <u>10,116,738</u>        | <u>1,895,608</u>       | <u>-</u>               | <u>12,012,346</u> |
| <b><u>2017</u></b>          |                          |                        |                        |                   |
| Trade and other payables    | 3,104,511                | -                      | -                      | 3,104,511         |
| Loans and borrowings        | 2,761,116                | 2,216,064              | 219,090                | 5,196,270         |
| Other financial liabilities | 16,738                   | -                      | -                      | 16,738            |
|                             | <u>5,882,365</u>         | <u>2,216,064</u>       | <u>219,090</u>         | <u>8,317,519</u>  |

**25. Fair value of assets and liabilities**

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

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

|                             | Level 1<br>S\$ | Level 2<br>S\$ | Level 3<br>S\$ | Total<br>S\$ |
|-----------------------------|----------------|----------------|----------------|--------------|
| <u>2018</u>                 |                |                |                |              |
| Liabilities:                |                |                |                |              |
| Other financial liabilities | -              | 124,500        | -              | 124,500      |
|                             | =====          | =====          | =====          | =====        |
| <u>2017</u>                 |                |                |                |              |
| Liabilities:                |                |                |                |              |
| Other financial liabilities | -              | 16,738         | -              | 16,738       |
|                             | =====          | =====          | =====          | =====        |

There were no transfers between Level 1 and Level 2 during the reporting period.

The fair value of forward exchange contracts is determined using quoted forward currency rates at the end of the reporting period. These other financial liabilities are classified as Level 2.

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, loans and borrowings are reasonable approximation of fair values due to their short-term nature or they are repriced at intervals close to the end of the reporting period.

**26. Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The Company's overall strategy remained unchanged from 2017.

The capital structure of the Company consists of its share capital and retained earnings as shown in the statement of financial position.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2018 and 2017.

**27. New or revised accounting standards and interpretations**

The Company has not adopted the following standards and interpretations to FRS (INT FRS) that have been issued but not yet effective:

| Description   | Effective for annual periods beginning on or after |
|---|--|
| Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Date to be determined                              |
| Amendments to FRS 40 Transfers of Investment Property   | 1 Jan 2018   |
| Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions                             | 1 Jan 2018   |
| FRS 109 Financial Instruments   | 1 Jan 2018   |
| FRS 115 Revenue from Contracts with Customers   | 1 Jan 2018   |
| Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers                                | 1 Jan 2018   |
| Improvements to FRSs (December 2016)  |  |
| Amendments to FRS 101 First-Time Adoption of Financial Reporting Standards  | 1 Jan 2018   |
| Amendments to FRS 28 Investments in Associates and Joint Venture  | 1 Jan 2018   |
| Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts                        | 1 Jan 2018   |
| INT FRS 122 Foreign Currency Transactions and Advance Consideration   | 1 Jan 2018   |
| FRS 116 Leases  | 1 Jan 2019   |
| Amendments to FRS 109: Prepayment Features with Negative Compensation   | 1 Jan 2019   |
| Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures  | 1 Jan 2019   |
| INT FRS 123 Uncertainty over Income Tax Treatments  | 1 Jan 2019   |

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application except for the following:

(a) FRS 109 *Financial Instruments* and associated amendments to various standards

FRS 109 replaces the multiple classification and measurements model in FRS 39 *Financial instruments: Recognition and Measurement* with a single model that has initially only two classification categories: amortised cost and fair value. The Company's financial assets only comprise of loans and receivables measured at amortised cost. Therefore, the Company does not expect the new requirements to have a significant impact on the classification of its financial assets.

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**27. New or revised accounting standards and interpretations (cont'd)**

- (a) FRS 109 *Financial Instruments* and associated amendments to various standards (cont'd)

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk to other comprehensive income, for liabilities designated at fair value through profit or loss. Management does not expect the impact on the Company's accounting policies for financial liabilities as such liabilities are not significant.

Besides, a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (ie. trade receivables). The Company has yet to undertake a detailed assessment of how its impairment provisions would be affected by this new model, it may result in an earlier recognition of credit losses.

- (b) FRS 115 *Revenue from contracts with customers*

This standard will replace FRS 18 which covers contracts for goods and services and FRS 11 which covers construction contracts. Revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The customer obtains control when it has the ability to direct the use of and obtain benefits from the good or service.

A new five-steps process must be applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligation;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

The standard allows a choice of full retrospective application or prospective application with additional disclosure. At this stage, the Company is not able to estimate the impact of the new standard over the financial statements. The Company will make more detailed assessment of the impact over the next twelve months.

The annexed detailed profit or loss account does not form part of the audited, statutory accounts and therefore it is not covered by the independent auditor's report. It is not necessary to file the detailed profit or loss account with the Accounting & Corporate Regulatory Authority.

**WILSON CABLES PRIVATE LIMITED****Income and Expenditure Account  
For the financial year ended 31 March 2018**

|  | 2018<br>S\$        | 2017<br>S\$        |
|--|--------------------|--------------------|
| <b>SALES</b>                                 | 29,457,273         | 29,306,893         |
| <b>LESS: COST OF GOODS SOLD</b>              |                    |                    |
| Stock of finished goods at beginning of year | 7,393,976          | 4,804,409          |
| Add: Manufacturing costs - Schedule 1        | 29,214,360         | 28,891,366         |
| Less: Finished goods inventory at year end   | (8,337,905)        | (7,393,976)        |
|  | <u>28,270,431</u>  | <u>26,301,799</u>  |
| <b>GROSS PROFIT</b>                          | 1,186,842          | 3,005,094          |
| Sale of scrap                                | 1,147,817          | 546,874            |
| Special Employment Credit                    | 6,201              | 19,060             |
| Wages Credit Scheme                          | 31,923             | 24,762             |
| PIC cash payout                              | -                  | 34,684             |
| Temporary employment credit                  | 9,694              | 18,529             |
| Interest income                              | 349                | 16,932             |
| Other income                                 | 18,650             | -                  |
| Share of expenses by related companies       | 410,000            | 230,000            |
|  | <u>1,624,634</u>   | <u>890,841</u>     |
|  | 2,811,476          | 3,895,935          |
| <b>LESS: OVERHEAD EXPENSES</b>               |                    |                    |
| Selling & Distribution Expenses - Schedule 2 | (1,526,265)        | (1,727,054)        |
| Administrative Expenses - Schedule 3         | (1,830,248)        | (2,004,214)        |
| Financial charges - Schedule 4               | (192,420)          | (75,067)           |
|  | <u>(3,548,933)</u> | <u>(3,806,335)</u> |
|  | (737,457)          | 89,600             |
| <b>(LOSS)/PROFIT FOR THE YEAR</b>            | <u>=====</u>       | <u>=====</u>       |

**WILSON CABLES PRIVATE LIMITED****Manufacturing Account  
For the financial year ended 31 March 2018**

|   | 2018<br>S\$        | 2017<br>S\$        |
|---|--------------------|--------------------|
| <b>MANUFACTURING COSTS:</b>                 |                    |                    |
| Stock as at beginning of year               |                    |                    |
| Raw materials                               | 4,667,075          | 1,572,055          |
| Parts and supplies                          | 426,902            | 219,033            |
|   | <u>5,093,977</u>   | <u>1,791,088</u>   |
| Purchases                                   |                    |                    |
| Raw materials and parts and supplies        | 23,747,264         | 27,133,356         |
|   | <u>28,841,241</u>  | <u>28,924,444</u>  |
| LESS: Stock as at end of year               |                    |                    |
| Raw materials                               | (3,310,564)        | (4,667,075)        |
| Parts and supplies                          | (380,814)          | (426,902)          |
|   | <u>(3,691,378)</u> | <u>(5,093,977)</u> |
|   | 25,149,863         | 23,830,467         |
| <b>DIRECT LABOUR</b>                        | 2,287,969          | 2,235,115          |
|   | <u>27,437,832</u>  | <u>26,065,582</u>  |
| <b>PRIME COST</b>                           |                    |                    |
| <b>FACTORY OVERHEADS:</b>                   |                    |                    |
| Amortisation of leasehold land and building | 223,797            | 184,265            |
| CPF expenses                                | 142,560            | 134,588            |
| Cleaning expenses                           | 50,370             | 47,940             |
| Consumables                                 | 104,429            | 176,142            |
| Depreciation expenses                       | 246,841            | 227,988            |
| Factory transport                           | 90,724             | 86,717             |
| Foreign workers levy                        | 216,274            | 220,677            |
| Insurance                                   | 22,625             | 19,645             |
| Land rent                                   | 170,321            | 178,595            |
| Medical expenses                            | 34,538             | 32,240             |
| Miscellaneous expenses - factory            | 98,074             | 112,578            |
| Power, electricity & water                  | 301,687            | 334,718            |
| Printing and stationery                     | 3,835              | 5,946              |
| Property tax                                | 102,937            | 109,800            |
| Rent & rates                                | 70,833             | 71,774             |
| Repair & maintenance                        | 99,965             | 72,657             |
| Service charges                             | 152,414            | 143,228            |
| Skill Development levy                      | 5,419              | 5,227              |
| Telephone, telex & fax                      | 5,777              | 5,137              |
| Testing fee                                 | 94,792             | 96,364             |
| Travelling expenses                         | 34,554             | 39,505             |
| Training and education                      | 10,679             | 9,552              |
|   | <u>2,283,445</u>   | <u>2,315,283</u>   |
| <b>WORK IN PROGRESS:</b>                    |                    |                    |
| As at beginning of year                     | 377,649            | 888,150            |
| LESS: As at end of year                     | (884,566)          | (377,649)          |
|   | <u>(506,917)</u>   | <u>510,501</u>     |
| <b>COST OF GOODS MANUFACTURED</b>           | <u>29,214,360</u>  | <u>28,891,366</u>  |
|   | =====              | =====              |



**WILSON CABLES PRIVATE LIMITED****Income and Expenditure Account  
For the financial year ended 31 March 2018**

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|   | 2018<br>S\$      | 2017<br>S\$      |
|---|------------------|------------------|
| <b>SELLING AND DISTRIBUTION EXPENSES:</b> |                  |                  |
| Advertisement                             | 32,878           | 22,439           |
| CPF expenses                              | 89,915           | 94,285           |
| Courier charges                           | 19,605           | 19,069           |
| Delivery expenses                         | 190,888          | 185,594          |
| Depreciation - motor vehicle              | 19,702           | 24,158           |
| Entertainment                             | 10,279           | 20,318           |
| Freight expenses                          | 167,937          | 173,737          |
| Insurance                                 | 60,704           | 57,477           |
| Medical expenses                          | 1,928            | 2,671            |
| Motor vehicle expenses                    | 39,047           | 22,057           |
| Miscellaneous expenses                    | 12,971           | 6,819            |
| Printing and stationery                   | 6,209            | 5,534            |
| Sales commission - third party            | 3,609            | 112,755          |
| Salary, bonus and commission              | 735,933          | 864,057          |
| Sales promotion expenses                  | 18,406           | 25,916           |
| Subscription                              | 5,059            | 4,892            |
| Telecom expenses                          | 12,678           | 13,009           |
| Travelling expenses                       | 96,839           | 68,124           |
| Transport expenses                        | 1,678            | 4,143            |
|   | <hr/>            | <hr/>            |
|   | <b>1,526,265</b> | <b>1,727,054</b> |
|   | =====            | =====            |

**WILSON CABLES PRIVATE LIMITED****Income and Expenditure Account  
For the financial year ended 31 March 2018**

|   | 2018<br>S\$      | 2017<br>S\$      |
|---|------------------|------------------|
| <b>ADMINISTRATIVE AND ESTABLISHMENT EXPENSES:</b> |                  |                  |
| Advertisements                                    | 20,958           | -                |
| Audit fee   | 21,200           | 19,400           |
| Bank charges                                      | 28,411           | 25,260           |
| CPF expenses                                      | 53,894           | 60,980           |
| Consultancy fee                                   | 19,756           | 44,118           |
| Director fee                                      | 312,000          | 312,000          |
| Depreciation                                      | 28,326           | 22,566           |
| Entertainment                                     | 3,997            | 5,968            |
| Insurance   | 15,154           | 19,813           |
| Legal fee   | 7,043            | 15,558           |
| Loss on disposal of fixed assets                  | 500              | 1,349            |
| Medical expenses                                  | 19,596           | 16,603           |
| Office miscellaneous expenses                     | 3,713            | 3,270            |
| Postage & courier                                 | 2,403            | 2,057            |
| Printing & stationery                             | 9,520            | 5,589            |
| Professional fee                                  | 53,419           | 39,446           |
| Provision for bad debts                           | 61,829           | 41,353           |
| Refreshment expenses                              | 31,746           | 32,349           |
| Repair and maintenance                            | 71,719           | 48,635           |
| Salaries & bonus                                  | 935,817          | 1,056,722        |
| Skill Development Fund – levy                     | 2,185            | 2,290            |
| Subscriptions                                     | 11,255           | 11,265           |
| Staff welfare                                     | 16,821           | 23,642           |
| Transport expenses                                | 36,947           | 40,360           |
| Training & education                              | 3,589            | 7,302            |
| Travelling expenses                               | 57,237           | 73,483           |
| Telephone & telex                                 | 13,849           | 17,200           |
| Employee leave benefit                            | (12,636)         | 55,636           |
|   | <u>1,830,248</u> | <u>2,004,214</u> |
|   | =====            | =====            |
| <b>FINANCIAL CHARGES:</b>                         |                  |                  |
| Interest on hire purchase                         | (165)            | 798              |
| Interest on import financing                      | 105,937          | 20,705           |
| Interest on term loan                             | 65,454           | 53,564           |
| Interest on bank overdraft                        | 21,194           | -                |
|   | <u>192,420</u>   | <u>75,067</u>    |
|   | =====            | =====            |