VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)

(Company Registration No.: 201008712K)

DIRECTORS' STATEMENT
AND
AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019

GENERAL INFORMATION

DIRECTORS
Song Mei Cheng
Sandeep Ahuja
Karuppusamy Ramaswamy

COMPANY SECRETARY
Ang Siew Koon

REGISTERED OFFICE
237 Pandan Loop
#05-03 Westech Building
Singapore 128424

AUDITORS
EVEREST ASSURANCE PAC
7500A Beach Road
#14-302 The Plaza
Singapore 199591

BANKERS
United Overseas Bank Ltd
DBS Bank Ltd
Overseas-Chinese Banking Corporation Ltd

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DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of VLCC Singapore Pte. Ltd. (the "Company") and its subsidiaries (the "Group") and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company for the financial year ended 31 March 2019.

1. OPINION OF THE DIRECTORS

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; 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.

2. DIRECTORS

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

Song Mei Cheng
Sandeep Ahuja
Karuppusamy Ramaswamy

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose 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.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the director of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Holdings registered in the name of the director	
Name of Director	**At the beginning of the financial year**	**At the end of the financial year**
Subsidiary - **Global Vantage Innovative Group Pte. Ltd.** **(no. of ordinary shares)**		
Song Mei Cheng	652,249	652,249

5. SHARE OPTIONS

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

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

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

6. AUDITORS

The auditors, Messrs Everest Assurance PAC, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Song Mei Cheng Director	Sandeep Ahuja Director

Singapore,
19 JUN 2019

EVEREST

Everest Assurance PAC
Public Accountants and
Chartered Accountants
Co. Regn. No. 201610716D
(incorporated with limited liability)

Independent Auditor's Report
To the Members of VLCC Singapore Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VLCC Singapore Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019 and the consolidated statement of profit or loss and other comprehensive income of the Group and statement of profit or loss and other comprehensive income of the Company, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements of the Group and the financial statements of the Company 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity 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 Group 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 Matter

The financial statements of the Group and the Company for the financial year ended 31 March 2018 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 16 August 2018.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit on the financial statement, 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 Group'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 Group'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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Patel Anand Rameshchandra.

Everest Assurance PAC

Singapore
19 June 2019

EVEREST ASSURANCE PAC
Public Accountants and
Chartered Accountants

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019
(Expressed in Singapore Dollars)

	Note	Group 2019 $	Group 2018 $
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,119,767	3,329,431
Goodwill	5	1,418,608	1,418,608
Investment in subsidiaries	6	-	-
Investment in life insurance plan	7	81,676	-
		4,620,051	4,748,039
Current assets			
Inventories	8	1,010,816	1,186,101
Trade and other receivables	9	768,840	711,246
Amount due from related companies	10	2,391,011	2,211,678
Prepaid operating expenses		18,736	18,167
Advance payment to suppliers		68,992	87,251
Fixed deposit		-	234,000
Cash and bank balances	11	205,834	370,927
		4,464,229	4,819,370
Total assets		9,084,280	9,567,409
EQUITY			
Share capital	12	5,747,480	5,553,094
Accumulated losses		(1,721,969)	(1,362,118)
Asset revaluation reserve	13	1,531,471	1,531,471
Foreign currency translation reserve		(5,801)	(4,989)
		5,551,181	5,717,458
Non-controlling interests		591,316	657,964
Total equity		6,142,497	6,375,422
LIABILITIES			
Non-current liabilities			
Term loans	14	1,573,042	1,464,844
Deferred tax liabilities		-	5,903
		1,573,042	1,470,747
Current liabilities			
Trade and other payables	15	950,818	952,973
Advance payment by customers		52,965	107,925
Amount due to related companies	10	135,586	37,912
Term loans	14	226,959	593,085
Provision for income tax		2,413	29,345
		1,368,741	1,721,240
Total liabilities		2,941,783	3,191,987
Total equity and liabilities		9,084,280	9,567,409

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019
(Expressed in Singapore Dollars)

	Note	Company 2019 $	Company 2018 $
ASSETS			
Non-current assets			
Property, plant and equipment	4	-	-
Investment in subsidiaries	6	5,269,621	5,269,621
		5,269,621	5,269,621
Current assets			
Trade and other receivables	9	16,970	16,970
Amount due from related companies	10	653,083	660,252
Prepaid operating expenses		213	303
Fixed deposit		-	234,000
Cash and bank balances	11	5,376	113,050
		675,642	1,024,575
Total assets		5,945,263	6,294,196
EQUITY			
Share capital	12	5,747,480	5,553,094
Retained earnings		191,959	177,542
Total equity		5,939,439	5,730,636
LIABILITIES			
Current liabilities			
Trade and other payables	15	3,502	53,837
Term loans	14	-	504,341
Provision for income tax		2,322	5,382
		5,824	563,560
Total liabilities		5,824	563,560
Total equity and liabilities		5,945,263	6,294,196

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	Note	Group 2019 $	Group 2018 $
Revenue	16	4,772,587	5,816,358
Cost of sales	8	(2,536,937)	(2,942,359)
Gross profit		2,235,650	2,897,799
Other income	17	484,213	750,256
Administrative expenses	18	(3,060,036)	(3,231,078)
Other expenses	19	(49,011)	-
Finance costs	20	(52,962)	(98,141)
Profit/(loss) before tax		(442,146)	295,036
Income tax benefit/(expense)	22	15,647	(66,199)
Profit/(loss) for the financial year		(426,499)	228,837
Other comprehensive income/(loss):			
Exchange differences on translation of foreign subsidiaries		(812)	(6,199)
Total comprehensive income/(loss) for the financial year		(427,311)	222,638
Profit/(loss) attributable to:			
Owners of the Company		(359,851)	240,983
Non-controlling interests		(66,648)	(12,146)
		(426,499)	228,837

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	Note	Company	
		2019	2018
		$	$
Revenue		-	-
Other income	17	499,376	635,826
Administrative expenses	18	(288,469)	(313,060)
Other expenses	19	(190,798)	(13,556)
Finance costs	20	(5,692)	(47,978)
Profit before tax		14,417	261,232
Income tax benefit/(expense)	22	-	(5,382)
Profit after tax, representing total comprehensive income for the financial year		14,417	255,850

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	Attributable to Owners of the Company						
	Share Capital $	Accumulated losses $	Asset Revaluation reserve $	Foreign currency translation reserve $	Total $	Non-controlling interests $	Total Equity $
Group							
Balance as at 1 April 2017	4,400,200	(1,603,101)	1,531,471	1,210	4,329,780	670,110	4,999,890
Issue of share capital	1,152,894	-	-	-	1,152,894	-	1,152,894
Total comprehensive income/(loss) for the year	-	240,983	-	(6,199)	234,784	(12,146)	222,638
Balance as at 31 March 2018	5,553,094	(1,362,118)	1,531,471	(4,989)	5,717,458	657,964	6,375,422
Issue of share capital	194,386	-	-	-	194,386	-	194,386
Total comprehensive income/(loss) for the year	-	(359,851)	-	(812)	(360,663)	(66,648)	(427,311)
Balance as at 31 March 2019	5,747,480	(1,721,969)	1,531,471	(5,801)	5,551,181	591,316	6,142,497

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	Share Capital $	Retained earnings $	Total Equity $
Company			
Balance as at 1 April 2017	4,400,200	(78,308)	4,478,508
Issue of share capital	1,152,894	-	1,152,894
Total comprehensive income for the year	-	255,850	234,784
Balance as at 31 March 2018	5,553,094	177,542	5,730,636
Issue of share capital	194,386	-	194,386
Total comprehensive income for the year	-	14,417	14,417
Balance as at 31 March 2019	5,747,480	191,959	5,939,439

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	2019 $	2018 $
Cash Flows from Operating activities		
Profit/(loss) before tax	(442,146)	295,036
Adjustments for:		
Depreciation of property, plant and equipment	229,125	255,596
Fair value change of insurance plan	20,315	-
Allowance for doubtful trade receivables	4,282	-
Allowance for doubtful debts written back	(36,073)	-
Bad debts written off	15,268	-
Interest income	(14,128)	(1,027)
Interest expense	52,962	98,141
Currency alignment of foreign subsidiaries	(812)	(6,199)
Operating cash flows before movements in working capital	(171,207)	641,547
Movements in Working Capital		
Inventories	175,285	274,057
Trade and other receivables	(40,986)	(667,738)
Amount due from related companies	(179,333)	(167,550)
Prepaid operating expenses	(569)	5,257
Advance payment to suppliers	18,259	-
Trade and other payables	(2,155)	131,564
Amount due to related companies	97,674	-
Advance payment by customers	(54,960)	-
Cash (used in)/generated from operations	(157,992)	217,137
Income tax paid	(17,188)	(33,932)
Net cash (used in)/generated from operating activities	(175,180)	183,205
Cash Flows from Investing activities		
Purchase of property, plant and equipment	(19,546)	(32,325)
Purchase of keyman life insurance	(101,991)	-
Withdrawal of fixed deposit	234,000	-
Interest received	14,128	1,027
Net cash generated from/(used in) investing activities	126,591	(31,298)
Cash Flows from Financing activities		
Proceeds from term loan	413,000	-
Repayment of term loans	(670,928)	(1,294,588)
Interest paid	(52,962)	(98,141)
Proceeds from issue of shares	194,386	1,152,894
Net cash used in financing activities	(116,504)	(239,835)
Net decrease in cash and cash equivalents	(165,093)	(87,928)
Cash and cash equivalents at the beginning of financial year	370,927	458,855
Cash and cash equivalents at the end of financial year (Note 11)	205,834	370,927

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

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

1 THE GROUP AND ITS PRINCIPAL ACTIVITIES

VLCC Singapore Pte. Ltd. (the "Company") is incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at 237 Pandan Loop, #05-03 Westech Building Singapore 128424.

The principal activities of the Company are that of general wholesale trade including general importers and exporters and investment holding company.

The Company is wholly owned by VLCC International Inc, a company incorporated in British Virgin Islands. The ultimate holding company is VLCC Health Care Limited, a company incorporated in India.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and Company are presented in Singapore Dollars (S$), which is also the functional currency of the Company. All financial information presented in Singapore Dollars has been rounded to the nearest dollar, unless otherwise indicated.

In the current financial year, the Group and Company adopted the new and revised FRSs that are applicable in the current financial year. The financial statements have been amended as required, in accordance with the relevant transitional provisions in the respective FRSs.

The adoption of the new and amended standards and interpretation has been further disclosed in Note 2.2 below.

The preparation of financial statements in conformity with FRSs requires the management to exercise their judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity are disclosed in Note 3 below.

2.2 Adoption of new and amended standards and interpretation

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards and Interpretations of FRS ('INT FRS') which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2018.

Except for the adoption of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers described below, the adoption of these standards and interpretations did not have any material effect on the financial performance or financial position of the Company.

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has adopted the new standard retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. Comparatives for financial year ended 2018 are not restated and the Group has recognised any difference between the carrying amounts at 31 March 2018 and 1 April 2018 in the opening accumulated losses. The accounting policies for financial instruments under FRS 109 are disclosed in Note 2.13.

The effects on adoption of FRS 109 are as follows:

(i) Investment in life insurance plan is measured at fair value through profit or loss ('FVPL').

(ii) Impairment of financial assets -

The Group has the following financial assets subject to the expected credit loss impairment model under FRS 109:

- Cash and bank balances;
- Trade and other receivables; and
- Amount due from related companies.

The impairment methodology for each of these classes of financial assets under FRS 109 are different as disclosed in Note 2.13 and Note 24.

FRS 115 Revenue from Contracts with Customers

The Group has adopted the new standard retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. Comparatives for financial year ended 2018 are not restated and the Group has recognised any difference between the carrying amounts at 31 March 2018 and 1 April 2018 in the opening accumulated losses.

1) Revenue recognition criteria (five-step approach)

In line with the application of FRS 115, the Group recognises revenue based on a five-step approach outlined below -

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group identifies distinct goods or services included in contracts with customers and identifies performance obligations by such transaction units.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met -

(a) The Group's performance obligation does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

2) Revenue recognition from major revenue streams

The accounting policies on revenue recognition of the Group's major revenue streams are disclosed in Note 2.15.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
FRS 116 Leases	1 January 2019
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to FRSs (March 2018)	1 January 2019

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

<u>FRS 116 Leases</u>

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases. Applying the new FRS, a lessee is required to recognise the right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 also requires more extensive disclosures to be provided by a lessor.

The Group plans to adopt FRS 116 when it becomes effective in 2020. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients before the date of mandatory adoption.

2.4 Basis of consolidation and business combinations

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtain control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or accumulated profits or losses, as appropriate.

b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency transactions and balances

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

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

2.7 Property, plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Leasehold properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold properties at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to accumulated profits or losses on retirement or disposal of the asset.

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

	Years
Leasehold properties	25
Plant and machinery	5
Computer and office equipment	5
Motor vehicles	10
Furniture and fittings	5
Renovation	5

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

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

An item of 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.

2.8 Intangible assets and goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. At initial recognition, goodwill is measured as stated in Note 2.4(b).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

2.9 Subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investment in a subsidiary is stated in the statement of financial position of the Company at cost less any impairment losses. An assessment of investment in a subsidiary is performed when there is indication that the value of the investment has been impaired, or the impairment loss recognised in prior financial years no longer exist.

2.10 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

2.11 Inventories

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

When necessary, allowance 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.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and are subject to an insignificant risk of changes in value.

2.13 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

Financial assets -

The Group classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL)

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments -

Debt instruments that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. These financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

The Group's financial assets measured at amortised cost comprise trade and other receivables, amount due to related companies and cash and bank balances in the statement of financial position.

Debt instrument that is held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income/expense".

The Group's financial asset measured at fair value through profit or loss comprise investment in life insurance plan in the statement of financial position.

Impairment

Debt instruments -

For trade receivables, the Group applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For amount due from related companies and cash and bank balances, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Financial liabilities -

Initial recognition and measurement

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

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

Subsequent measurement

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amounts is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

Financial assets -

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable. Apart from loans and receivables, the Group has no other financial assets.

Loans and receivables -

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the financial year end date which are presented as non-current assets.

Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to the profit and loss accounts.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

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

Loans and receivables -

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

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

Financial liabilities -

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

Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

Payables which represent the consideration of the goods and services to be paid in the future, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

2.14 Provisions

Provisions are recognised when the Group 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.

2.15 Revenue recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 April 2018:

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sales of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. No revenue is recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

Interest income

Interest income is recognised using the effective interest rate method.

Commission income

Commission income is recognised at a point in time upon the completion of a transaction in which the commission relates to.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

These accounting policies were applied before the initial application date of FRS 115, 1 April 2018:

Sale of goods

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

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

There is no significant difference in accounting policies on the revenue applied before and after the initial application date of FRS 115, 1 April 2018.

2.16 Employee benefits

Defined contribution pension scheme

The Group makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

2.17 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rate and tax law used to compute the amount are those that are enacted or substantively enacted at the reporting period, in the countries where the Group operates and generates taxable income.

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

b) Deferred tax

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

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

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

c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

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

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

2.18 Share capital

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

2.19 Related party

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and Company if that person:

a) Has control or joint control over the Company;

b) Has significant influence over the Company; or

c) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following applies:

a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

c) Both entities are joint ventures of the same third party;

d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

f) The entity is controlled or jointly controlled by a person identified in (i) above;

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

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group or Company.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Estimated impairment of non-financial assets -

Property, plant and equipment, intangible assets and other non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group assesses at each reporting date whether there is an indication that the property, plant and equipment, intangible assets and other non-financial assets may be impaired. This requires an estimation of the value in use of the cash-generating units.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Expected credit losses (ECL) on trade receivables

At each reporting date, the management analyses the provision for the expected credit losses (ECLs). The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group recognises a loss allowance based on lifetime expected credit losses at each reporting date.

The management has established a provision policy that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors' ability to pay and the economic environment which could affect the debtors' ability to pay.

The Group evaluates the expected credit loss on customers in financial difficulties separately. The Group's credit risk exposure for trade receivables is set out in Note 24.

(c) 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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(d) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their respective useful lives. Management estimates that the useful lives of these property, plant and equipment to be 5-25 years. These are common life expectancies applied in the industry.

(e) Functional currency

When determining the functional currency of the entities in the Group, the management considers factors such as the currency that influences the sales prices, the currency that influences the labour, material and other costs of providing the goods or services, the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. When the factors are mixed, the management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

--------------------------------*The space below has been left blank intentionally*---------------------------------

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Plant and machinery	Computer and office equipment	Motor vehicles	Furniture and fittings	Renovation	Total
	$	$	$	$	$	$	$
Group							
Valuation or Cost:							
Balance at 1 April 2017	3,703,536	588,543	262,341	168,185	151,787	494,912	5,369,304
Additions	-	17,660	14,665	-	-	-	32,325
Balance at 31 March 2018	3,703,536	606,203	277,006	168,185	151,787	494,912	5,401,629
Additions	-	-	15,292	-	4,254	-	19,546
Balance at 31 March 2019	3,703,536	606,203	292,298	168,185	156,041	494,912	5,421,175
Accumulated Depreciation							
Balance at 1 April 2017	444,423	412,657	230,179	151,368	140,572	437,403	1,816,602
Depreciation	148,142	47,711	14,886	16,817	9,485	18,555	255,596
Balance at 31 March 2018	592,565	460,368	245,065	168,185	150,057	455,958	2,072,198
Depreciation	148,142	47,071	14,191	-	1,189	18,532	229,125
Currency alignment	-	-	54	-	31	-	85
Balance at 31 March 2019	740,707	507,439	259,310	168,185	151,277	474,490	2,301,408
Carrying Amount							
Balance at 31 March 2018	3,110,971	145,835	31,941	-	1,730	38,954	3,329,431
Balance at 31 March 2019	2,962,829	98,764	32,988	-	4,764	20,422	3,119,767

The leasehold properties with carrying amount of $2,962,829 (2018: $3,110,971) is mortgaged to secure for term loans (Note 14).

4 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Total
	$	$
Company		
Cost:		
Balance at 1 April 2017	28,677	28,677
Additions	-	-
Balance at 31 March 2018	28,677	28,677
Additions	-	-
Balance at 31 March 2019	28,677	28,677
Accumulated Depreciation		
Balance at 1 April 2017	20,488	20,488
Depreciation	8,189	8,189
Balance at 31 March 2018	28,677	28,677
Depreciation	-	-
Balance at 31 March 2019	28,677	28,677
Carrying Amount		
Balance at 31 March 2018	-	-
Balance at 31 March 2019	-	-

5 GOODWILL

	Group	
	2019	2018
	$	$
At the beginning and end of the financial year	1,418,608	1,418,608

Goodwill was recognised as a result of the acquisition of investment in subsidiaries.

6 INVESTMENT IN SUBSIDIARIES

	Company	
	2019	2018
	$	$
Shares at cost	5,269,621	5,269,621

6 INVESTMENT IN SUBSIDIARIES

a) Composition of the Group

The Group has the following investment in subsidiaries -

Name of subsidiary	Country of incorporation	Principal activities	Effective equity interest (%) held by the Company 2019	2018
Held directly by the Company				
Global Vantage Innovative Group Pte. Ltd.*	Singapore	Investment holding company	85	85
VLCC Holding (Thailand) Co. Ltd.**	Thailand	Selling and distribution of healthcare products	49.9	49.9
VLCC Wellness (Thailand) Co Ltd.**	Thailand	Selling and distribution healthcare products	49.9	49.9
Held through Global Vantage Innovative Group Pte. Ltd.				
Bellewave Cosmetics Pte. Ltd.*	Singapore	Trading in skincare product	85	85
Celblos Dermal Research Centre Pte. Ltd.*	Singapore	Production and trading in skincare product	85	85
Held through VLCC Holding (Thailand) Co Ltd.				
VLCC Wellness (Thailand) Co Ltd.**	Thailand	Selling and distribution healthcare products	25	25
Held through Celblos Dermal Research Centre Pte. Ltd.				
Excel Beauty Solution Sdn. Bhd.***	Malaysia	Dormant	85	85

*Audited by Everest Assurance PAC, Public Accountants and Chartered Accountants.
**Audited by Worrasit Srirungkisawad, Certified Public Accountant (Thailand).
***Audited by SKL & Co, Chartered Accountants (Malaysia).

6 INVESTMENT IN SUBSIDIARIES (continued)

b) Interest in subsidiaries with material non-controlling interest (NCI)

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by NCI	Profit/(Loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
			$	$
31 March 2019				
Global Vantage Innovative Group Pte Ltd	Singapore	15%	(67,275)	615,712
VLCC Holding (Thailand) Co Ltd	Thailand	50.1%	(2,559)	(3,878)
VLCC Wellness Thailand Co Ltd	Thailand	25.1%	3,186	(20,518)
31 March 2018				
Global Vantage Innovative Group Pte Ltd	Singapore	15%	(4,585)	682,987
VLCC Holding (Thailand) Co Ltd	Thailand	50.1%	(2,973)	(1,319)
VLCC Wellness Thailand Co Ltd	Thailand	25.1%	(4,588)	(23,704)

6 INVESTMENT IN SUBSIDIARIES (continued)

c) Summarised financial information of subsidiaries with material NCI

Summarised financial information before intercompany elimination of subsidiaries with material non-controlling interest are as follows:

Summarised statement of financial position

	Global Vantage Innovative Group Pte Ltd		VLCC Holding (Thailand) Co Ltd	
	2019	2018	2019	2018
	$	$	$	$
Current				
Assets	6,037,358	4,819,370	95,606	129,035
Liabilities	(3,554,490)	(1,721,240)	(170,148)	(210,969)
Net current assets	2,482,868	3,098,130	(74,542)	(81,934)
Non-current				
Assets	4,619,764	4,748,039	20,609	22,249
Liabilities	(1,573,042)	(1,470,747)	-	-
Net non-current assets	3,046,722	3,277,292	20,609	22,249
Net assets	5,529,590	6,375,422	(53,933)	(59,685)

6 INVESTMENT IN SUBSIDIARIES (continued)

c) Summarised financial information of subsidiaries with material NCI (continued)

Summarised statement of profit or loss and other comprehensive income

	Global Vantage Innovative Group Pte Ltd		VLCC Holding (Thailand) Co Ltd	
	2019	2018	2019	2018
	$	$	$	$
Revenue	4,705,601	5,960,387	95,627	99,238
Profit/(Loss) before income tax	(464,148)	30,247	7,520	(24,115)
Income tax benefit/(expenses)	15,647	(60,817)	-	-
Profit/(Loss) after tax	(448,501)	(30,570)	7,520	(24,115)
Other comprehensive income/(loss)	212	(879)	-	-
Total comprehensive income	(448,289)	(31,449)	7,520	(24,115)

Other summarised information

	Global Vantage Innovative Group Pte Ltd		VLCC Holding (Thailand) Co Ltd	
	2019	2018	2019	2018
	$	$	$	$
Net cash flows from operations	375,677	297,745	-	-

7 INVESTMENT IN LIFE INSURANCE PLAN

	Group	
	2019	**2018**
	$	**$**
Investment in life insurance plan, at fair value	81,676	-

Movements in the investment in life insurance plan is as follows:

	Group	
	2019	**2018**
	$	**$**
Balance at beginning of financial year	-	-
Full insurance premium paid	101,991	-
Fair value change recognised in profit or loss	(20,315)	-
Balance at end of financial year	81,676	-

The above pertains to an investment linked keyman life insurance policy purchased by a subsidiary in respect of a director.

The fair value of the policy is based on the annual total cash surrender value of the insurance contract. The insurance contract is pledged to a bank to secure bank term loan granted to the subsidiary (Note 14).

8 INVENTORIES

	Group	
	2019	**2018**
	$	**$**
Statement of financial position:		
Raw materials	345,512	450,305
Packaging materials	420,051	539,750
Finished goods	245,253	196,046
	1,010,816	1,186,101

Changes in inventories:

	Group	
	2019	**2018**
	$	**$**
<u>Raw material consumed</u>		
Opening inventories	450,305	575,682
Purchases	779,694	1,023,979
	1,229,999	1,599,661
Less: Closing inventories	(345,512)	(450,305)
	884,487	1,149,356
<u>Packaging materials consumed</u>		
Opening inventories	539,750	631,597
Purchases	506,333	504,918
	1,046,083	1,136,515
Less: Closing inventories	(420,051)	(539,750)
	626,032	596,765
<u>Movement in finished goods</u>		
Opening inventories	196,046	252,879
Closing inventories	(245,253)	(196,046)
	(49,207)	56,833

Cost of sales:

	Group	
	2019	2018
	$	$
Purchase of goods held for resale	99,968	122,510
Factory wages and benefits (Note 21)	756,810	751,077
Freight charges	171,548	211,836
Outsourcing cost	4,785	5,882
Factory maintenance	8,665	6,512
Direct consumables	33,849	41,588
	2,536,937	2,942,359

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Trade receivables	632,729	605,521	-	-
Less: Allowance for impairment	(4,282)	(36,073)	-	-
Trade receivables (net)	628,447	569,448	-	-
Deposits	60,272	59,066	16,970	16,970
GST receivables	32,905	32,883	-	-
Staff loan	42,600	46,348	-	-
Interest receivable	4,616	3,501	-	-
	768,840	711,246	16,970	16,970

Trade receivables are unsecured, non-interest bearing and are generally on average 60 days' (2018: 60 days) terms.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Singapore Dollar	652,280	328,306	16,970	16,970
Malaysian Ringgit	-	28,135	-	-
Euro	-	20,835	-	-
Chinese Yuan	-	965	-	-
United States Dollar	36,978	262,876	-	-
Thai Baht	79,582	70,129	-	-
	768,840	711,246	16,970	16,970

10 AMOUNT DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Amount due from related companies	2,391,011	2,211,678	653,083	660,252
Amount due to related companies	(135,586)	(37,912)	-	-

Amount due from related companies under Group and Company include non-trade amounts of $268,560 (2018: $167,550) and $538,900 (2018: $314,900) respectively.

The non-trade amounts are unsecured, interest-free and repayable on demand.

11 CASH AND BANK BALANCES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Cash on hand	4,506	4,112	1	1
Cash at banks	201,328	366,815	5,375	113,049
	205,834	370,927	5,376	113,050

Cash and bank balances are denominated in the following currencies:

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Malaysian Ringgit	438	447	-	-
United States Dollar	1,796	47,472	-	-
Singapore Dollar	190,413	309,040	5,376	113,050
Thai Baht	13,187	13,968	-	-
	205,834	370,927	5,376	113,050

12 SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares	Amount	Number of shares	Amount
		$		$
Issued and fully paid:				
At beginning of the financial year	6,188,724	5,553,094	5,035,830	4,400,200
Issuance of share capital	194,386	194,386	1,152,894	1,152,894
At end of the financial year	6,383,110	5,747,480	6,188,724	5,553,094

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

13 ASSET REVALUATION RESERVE

Asset revaluation reserve represents increases in the fair value of the leasehold properties.

14 TERM LOANS

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Current liabilities	226,959	593,085	-	504,341
Non-current liabilities	1,573,042	1,464,844	-	-
	1,800,001	2,057,929	-	504,341

	Group 2019 $	Group 2018 $	Company 2019 $	Company 2018 $
Term loan 1 - UOB Bank - SGD	371,223	400,858	-	-
Term loan 2 - UOB Bank - SGD	643,088	687,048	-	-
Term loan 3 - UOB Bank - SGD	450,711	465,682	-	-
Term loan 4 - UOB Bank - SGD	275,713	-	-	-
Term loan 5 - UOB Bank - SGD	59,266	-	-	-
Term loan 6 - ICIC Bank - SGD	-	504,341	-	504,341
	1,800,001	2,057,929	-	504,341

The details of the term loans are as follows:

	Term loan	Principal sum	Interest rate	Maturity	Securities
i)	Term loan 1	633,800	2.80% over the applicable 3 months SIBOR	December 2029	1.Personal guarantee by director. 2.Corporate guarantee by subsidiaries. 3.Leasehold properties of the Group (Note 4).
ii)	Term loan 2	980,435	2.80% over the applicable 3 months SIBOR	June 2031	1.Joint and several guarantee by directors. 2.Corporate guarantee by subsidiaries.
iii)	Term loan 3	500,000	2.50% over the applicable 3 months SIBOR	August 2040	1.Personal guarantee by director. 2.Corporate guarantee by subsidiaries.
iv)	Term loan 4	340,000	2.18% fixed	August 2021	1.Personal guarantee by director. 2.Corporate guarantee by subsidiaries.

	Term loan	Principal sum	Interest rate	Maturity	Securities
v)	Term loan 5	73,000	2.18% fixed	August 2021	1.Personal guarantee by director. 2.Corporate guarantee by subsidiaries.

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Trade payables:				
- Third parties	298,915	388,995	-	49,987
Accruals	365,769	502,033	3,502	3,850
GST payable	12,498	26,038	-	-
Other payables	-	14,865	-	-
Amount due to directors	273,636	21,042	-	-
	950,818	952,973	3,502	53,837

Amounts in trade payables are non-interest bearing. Trade payables are normally settled on average 60 days' (2018: 60 days) terms.

Amount due to directors are unsecured, interest-free and are repayable on demand.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Singapore Dollar	807,255	737,507	3,502	53,837
Chinese Yuan Renminbi	123	380	-	-
United State Dollar	52,348	53,702	-	-
Swiss Franc	15,717	42,363	-	-
Malaysian Ringgit	50,407	96,074	-	-
Hong Kong Dollar	-	134	-	-
Thai Baht	24,968	22,813	-	-
	950,818	952,973	3,502	53,837

16 REVENUE

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Goods sold	4,772,587	5,811,358	-	-
Product development charges	-	5,000	-	-
	4,772,587	5,816,358	-	-

Revenue represents invoiced net sales of trading goods after allowance and trade discounts. All the sales are recognised at a point in time.

17 OTHER INCOME

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Commission income	365,220	491,826	365,220	491,826
Forfeited deposit	-	86,867	-	-
Gain on foreign exchange	-	809	-	-
Government grant	65,741	160,640	-	-
Impairment allowance written back	36,072	-	-	-
Interest income	14,128	1,027	14,128	-
Miscellaneous income	3,052	9,087	28	-
Retainer fee	-	-	120,000	144,000
	484,213	750,256	499,376	635,826

18 ADMINISTRATIVE EXPENSES

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Audit fees	15,512	14,263	3,500	3,000
Bank charges	19,140	19,392	1,521	1,340
Bookkeeping fees	10,256	11,862	-	-
Boarding and lodging expenses	19,565	36,431	-	-
Consultancy charges	219,280	113,523	16,687	-
Conveyance expenses	5,725	21,025	-	-
Copier printing charges	14,816	14,176	-	-
Courier and transportation	74	75	-	(24)
Employee benefits expense (Note 21)	1,634,789	1,773,977	-	-
Entertainment	1,275	431	-	-
Fees and subscription	14,210	4,291	-	-
Filling fees	66	66	-	-
Fines and penalties	13,223	1,180	13,223	94
Foreign worker levy fees	77,599	112,469	-	-
Freight outward	53,772	57,466	-	-
Gift expenses	3,620	6,369	-	-
Goods and service tax	84	46	-	-
Government fees	-	45	-	-
Housing and related expenses	-	38,460	-	-
Insurance expenses	27,385	23,432	-	-
Internet and website expenses	7,772	8,468	-	-
Lab expenses and maintenance fees	5,560	18,205	-	-
Listing and registration fees	50,745	34,258	-	-
Miscellaneous expenses	7,748	-	-	-
Office expenses and maintenance fees	35,199	44,007	-	-
Over provision prior period	-	(1,214)	-	(1,214)
Premises rent	208,183	202,322	100,680	97,280
Printing and stationery	7,745	8,315	718	507
Product development expenses	9,715	12,953	148,500	198,000

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Professional expenses	12,670	14,835	2,414	2,095
Property tax	9,890	10,320	-	-
Rebate to customers	30,991	(5,482)	-	-
Repair and maintenance fees - Machine	12,596	32,773	-	-
Repair and maintenance fees - Computer	8,355	15,826	-	-
Sales commission	1,255	2,034	-	-
Sales promotion and marketing	94,149	105,835	-	-
SDL - Factory	1,008	1,193	-	-
SDL - Office	1,238	1,046	-	-
Secretarial fees	4,054	3,438	-	629
Service charges	-	1,098	-	-
Staff recruitment expenses	45,579	42,606	-	-
Tax filing fees	2,316	1,651	500	500
Telephone expenses	36,381	34,875	-	-
Travelling expenses	47,262	70,857	726	1,102
Utilities charges	48,623	47,511	-	1,563
Vehicle running and maintenance fees	11,486	18,773	-	-
	2,830,911	2,975,482	288,469	304,872
Depreciation of property, plant and equipment (Note 4)	229,125	255,596	-	8,188
	3,060,036	3,231,078	288,469	313,060

19 OTHER EXPENSES

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Bad debt written off	15,268	-	-	-
Fair value change of insurance plan	20,315	-	-	-
Loss on foreign currency exchange	9,146	-	798	13,556
Provision for doubtful debts	4,282	-	190,000	-
	49,011	-	190,798	13,556

20 FINANCE COSTS

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Interest on term loan	52,962	98,141	5,692	47,978

21 EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Factory wages and benefits				
Salaries	694,485	688,466	-	-
Bonus	25,807	27,944	-	-
CPF contributions	34,948	29,842	-	-
Medical fee	1,521	2,331	-	-
Other staff benefits	49	2,494	-	-
Employee benefits expense in Cost of Sales	756,810	751,077	-	-
Key management personnel				
Directors' salaries	622,975	595,273	-	-
CPF contributions	31,743	30,948	-	-
	654,718	626,221	-	-
Staff				
Salaries	788,940	954,515	-	-
Bonus	85,083	71,737	-	-
CPF contributions	83,200	80,671	-	-
Medical fee	5,187	6,166	-	-
Staff training	1,222	-	-	-
Staff welfare	7,964	22,250	-	-
Other staff benefit	8,475	12,416	-	-
	980,071	1,147,755	-	-
Employee benefits expense in Administrative Expenses	1,634,789	1,773,976	-	-
Total Employee Benefits Expense	2,391,599	2,525,053	-	-

22 INCOME TAX (BENEFIT)/EXPENSE

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Current income tax				
- Current year	-	29,345	-	5,382
- Under/(Over) provision in respect of prior years	(9,744)	33,932	-	-
	(9,744)	63,277	-	5,382
Deferred tax				
- Current year	-	(3,059)	-	-
- Over/(under) provision in respect of prior years	(5,903)	5,981	-	-
Income tax (benefit)/expense recognised in profit or loss	(15,647)	66,199	-	5,382

Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2019 and 2018 were as follows:

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Accounting profit/(loss) before tax	(442,146)	295,036	14,417	261,232
Tax at the domestic rates applicable in the countries where the Group operates	(75,165)	(125,032)	2,451	44,409
Tax effects of:				
Non-taxable items	-	(23,215)	-	1,408
Non-deductible expenses	75,165	215,373	-	(39,089)
Tax exemptions	-	(33,503)	(2,451)	(1,346)
Income tax rebate	-	(7,337)	-	-
Under/(over) provision in respect of prior years	(15,647)	39,913	-	-
Income tax (benefit)/expense recognised in profit or loss	(15,647)	66,199	-	5,382

The Group has unrecognised tax losses of $605,852 (2018: $605,852) and capital allowances of $41,776 (2018: $41,776) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. They have not been recognised in the financial statements due to the uncertainly of their recovery.

Deferred tax as at 31 March relates to the following:

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Deferred tax liability				
Differences in depreciation for tax purposes	-	5,903	-	-

23 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group	
	2019 $	2018 $
Amount Due from Group Companies		
In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	210,638	158,495
VLCC Healthcare Ltd	121,427	241,853
VLCC International Qatar	196,440	94,414
VLCC Middle East LLC	736,982	536,858
Wyann International Sdn Bhd	307,572	430,861
Wyann International Sdn Bhd - Loan	268,560	167,550

	Group	
	2019	**2018**
	$	**$**
In Celblos Dermal Research Centre Pte Ltd books:		
Wyann International Sdn Bhd	379,210	406,295
In VLCC Singapore Pte Ltd books:		
VLCC Personal Care Ltd	114,183	119,352
VLCC International LLC	56,000	56,000
	2,391,012	2,211,678

Amount Due to Group Companies

In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	89,815	20,742
VLCC Healthcare Ltd	28,620	-
In Celblos Dermal Research Centre Pte Ltd books:		
VLCC Personal Care Ltd	17,151	17,170
	135,586	37,912

Purchase of Goods and Services from Group Companies

In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	104,007	81,635
VLCC Healthcare Ltd	49,820	-
In Celblos Dermal Research Centre Pte Ltd books:		
VLCC Personal Care Ltd	7,163	40,068
	160,990	121,703

Sales of Goods and Services to Group Companies

In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	309,987	291,569
VLCC Healthcare Ltd	281,121	803,700
VLCC Healthcare (Bangladesh)	11,743	10,158
VLCC International Qatar	102,026	94,414
VLCC Middle East LLC	272,831	425,071
VLCC Healthcare Lanka Pvt Ltd	-	10,723
Wyann International Sdn Bhd	(104,386)	244,044
In Celblos Dermal Research Centre Pte Ltd books:		
Wyann International Sdn Bhd	6,647	150,498
	879,969	2,030,177

Retainers Fee Income from Group Companies

In VLCC Singapore Pte Ltd books:		
VLCC Personal Care Ltd	365,220	491,826
VLCC International LLC	-	24,000
	365,220	515,826

Compensation of key management personnel

The remuneration of key management personnel in the Group are disclosed in Note 21. There are no other key management personnel in the Group other than the directors.

24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's activities expose it to credit risk, effect of changes in foreign exchange rate risk, interest rate risk and liquidity risk arising in the normal course of the Group's businesses.

Credit risk

(i) Risk management

The Group has no significant concentration of credit risk and surplus funds are placed with reputable banks.

The Group performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral to secure trade receivables. Limits are established and are regularly monitored in respect of single customer exposures.

The carrying amount of cash and bank balances, trade receivables, amount due from related companies and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

(ii) Impairment of financial assets

The Group has the following financial assets that are subject to more than immaterial credit losses where the expected credit loss model has been applied:

- Trade receivables from customers - $4,282 as at 31 March 2019

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data and factors specific to the debtors' ability to pay.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group or there is significant difficulty of the debtor or it is becoming probable that the debtor will enter bankruptcy or other financial reorganization. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables as at 31 March 2019 are set out in the provision matrix as follows -

	Past due				
	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	$	$	$	$	$
31 March 2019	412,075	38,857	144,119	37,678	632,729

The management determines the expected loss rates for debts past due for 90 days and below is low and no loss allowances are made accordingly. Full provision has been made for debts past due more than 180 days.

In 2018, the impairment of the financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly.

There is no significant impact to the amount of impairment after changing to the expected credit loss impairment model as at 1 April 2018 and no adjustment was made to the opening balance as at 1 April 2018.

Other receivables and amount due from related companies

The Group assessed the latest performance and financial position of the related companies, adjusted for the future outlook of the industry in which the related companies operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Movement in credit loss allowance for financial assets are set out as follows -

	Group	
	Trade receivables $	Total $
Balance as at 1 April 2018	36,073	36,073
Recovered debt written back	(36,073)	(36,073)
Loss allowance recognised in profit or loss during the financial year	4,282	4,282
Balance as at 31 March 2019	4,282	4,282

Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligation.

	Carrying amount $	Contractual cash flows $	One year or less $	Two to five years $	More than five years $
Group					
2019					
Financial assets:					
Trade and other receivables	735,935	735,935	735,935	-	-
Amount due from related companies	2,391,011	2,391,011	2,391,011	-	-
Cash and bank balances	205,834	205,834	205,834	-	-
Total undiscounted financial assets	3,332,780	3,332,780	3,332,780	-	-

	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	$	$	$	$	$
Group					
2019					
Financial liabilities:					
Term loans	1,800,001	2,116,354	273,864	725,124	1,117,366
Trade and other payables	572,551	572,551	572,551	-	-
Amount due to related companies	135,586	135,586	135,586	-	-
Total undiscounted financial liabilities	2,508,138	2,824,491	982,001	725,124	1,117,366
Total net undiscounted financial assets/(liabilities)	824,642	508,289	2,350,779	(725,124)	(1,117,366)

	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
Group					
2018					
Financial assets:					
Trade and other receivables	678,363	678,363	678,363	-	-
Amount due from related companies	2,211,678	2,211,678	2,211,678	-	-
Fixed deposit	234,000	234,000	234,000	-	-
Cash and bank balances	370,927	370,927	370,927	-	-
Total undiscounted financial assets	3,494,968	3,494,968	3,494,968	-	-
Financial liabilities:					
Term loans	2,057,929	2,463,401	640,591	522,524	1,300,286
Trade and other payables	424,902	424,902	424,902	-	-
Amount due to related companies	37,912	37,912	37,912	-	-
Total undiscounted financial liabilities	2,520,743	2,926,215	1,103,405	522,524	1,300,286
Total net undiscounted financial assets/(liabilities)	974,225	568,753	2,391,563	(522,524)	(1,300,286)

Foreign exchange risk

The Group has exposure to changes in foreign exchange rate risk as a result of transactions denominated in foreign currencies arising mainly from sales and purchase of goods.

Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

The impact of changes in foreign exchange rates to profit after tax has been assessed by the Group and not expected to be significant.

Interest rate risk

The Group is exposed to interest rate risk for changes in interest rates primarily for the term loans.

The impact of changes in interest rates to profit after tax has been assessed by the Group and not expected to be significant.

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
As at 31 March 2019 -				
Financial assets, at Fair Value through Profit or Loss ("FVPL")	-	-	81,676	81,676

The financial assets at FVPL represents investment in life insurance plan. The fair value of the investment in life insurance plan is based on the cash value provided by the insurer without adjustment.

The carrying value less impairment provision of current trade receivables, trade payables and borrowings are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

26 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of the different categories of financial instruments were as follows:

	2019	**2018**
	$	**$**
Group		
Financial assets measured at amortised cost		
Trade and other receivables (Note 9)	735,935	678,363
Amount due from related companies (Note 10)	2,391,011	2,211,678
Fixed deposit	-	234,000
Cash and bank balances (Note 11)	205,834	370,927
Total financial assets measured at amortised cost	3,332,780	3,494,968
Financial assets measured at fair value through profit or loss (FVPL)		
Investment in life insurance plan (Note 7)	81,676	-
Total financial assets measured at FVPL	81,676	-
Financial liabilities measured at amortised cost		
Term loan (Note 14)	1,800,001	2,057,929
Trade and other payables (Note 15)	572,551	424,902
Amount due to related companies (Note 10)	135,586	37,912
Total financial liabilities measured at amortised cost	2,508,138	2,520,743

	2019 $	2018 $
Company		
Financial assets measured at amortised cost		
Trade and other receivables (Note 9)	16,970	16,970
Amount due from related companies (Note 10)	653,083	660,252
Fixed deposit	-	234,000
Cash and bank balances (Note 11)	5,376	113,050
Total financial assets measured at amortised cost	675,429	1,024,272
Financial liabilities measured at amortised cost		
Term loan (Note 14)	-	504,341
Trade and other payables (Note 15)	3,502	53,837
Total financial liabilities measured at amortised cost	3,502	558,178

27 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade, other payables and amount due to related companies less cash and bank deposits. Total capital is calculated as equity plus net debt.

	Group	
	2019 $	2018 $
Net debt	2,680,571	2,677,887
Total equity	6,142,497	6,375,422
Total capital	8,823,068	9,053,309

28 COMPARATIVE FIGURES

The financial statements for the financial year ended 31 March 2018 were audited by another firm of Chartered Accountants.

Certain comparative figures in Note 8, Note 9, Note 10, Note 15 and Note 18 to the financial statements have been reclassified to conform with the current financial year's presentation.

29 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 19 June 2019.

THE FOLLOWING SCHEDULES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

DETAILED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

		2019
		$
Revenue		
	Goods sold	4,806,597
	Discount	(34,010)
		4,772,587
Less:	Cost of sales	
	Factory wages and benefits	(756,810)
	Cost of sales	(1,780,127)
		(2,536,937)
Gross Profit		2,235,650
Add:	Other income	
	Commission income	365,220
	Government grant	65,741
	Impairment allowance written back	36,072
	Interest income	14,128
	Miscellaneous income	3,052
		484,213
Less:	Operating expenses	
	Administrative expenses	(3,060,036)
	Other expenses	(49,011)
	Finance expenses	(52,962)
		(3,162,009)
Loss before tax		(442,146)
Add:	Income tax benefit	15,647
Loss for the year		(426,499)

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

DETAILED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	2019 $
ADMINISTRATIVE EXPENSES	
Audit fees	15,512
Bank charges	19,140
Bookkeeping fees	10,256
Boarding and lodging expenses	19,565
Consultancy charges	219,280
Conveyance expenses	5,725
Copier printing charges	14,816
Courier and transportation	74
Depreciation of property, plant and equipment	229,125
Employee benefits expense	1,634,789
Entertainment	1,275
Fees and subscription	14,210
Filling fees	66
Fines and penalties	13,223
Foreign worker levy fees	77,599
Freight outward	53,772
Gift expenses	3,620
Goods and service tax	84
Insurance expenses	27,385
Internet and website expenses	7,772
Lab expenses and maintenance fees	5,560
Listing and registration fees	50,745
Miscellaneous expenses	7,748
Office expenses and maintenance fees	35,199
Premises rent	208,183
Printing and stationery	7,745
Product development expenses	9,715
Professional expenses	12,670
Property tax	9,890
Rebate to customers	30,991
Repair and maintenance fees - Machine	12,596
Repair and maintenance fees - Computer	8,355
Sales commission	1,255
Sales promotion (marketing)	94,149
SDL - Factory	1,008
SDL - Office	1,238
Secretarial fees	4,054
Staff recruitment expenses	45,579
Tax filing fees	2,316
Telephone expenses	36,381
Travelling expenses	47,262
Utilities charges	48,623
Vehicle running and maintenance fees	11,486
	3,060,036

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

DETAILED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 March 2019
(Expressed in Singapore Dollars)

	2019
	$
OTHER EXPENSES	
Bad debt written off	15,268
Fair value change of insurance plan	20,315
Loss on foreign exchange	9,146
Provision for doubtful debts	4,282
	49,011
FINANCE EXPENSES	
Interest	52,962