

Directors' Statement and
Audited Financial Statements

VIEWERS CHOICE SAVINGS LIMITED

Company Registration No.: 201509843H

31 DECEMBER 2015



VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

GENERAL INFORMATION

DIRECTORS

Wee Kim Hin
Fie Fie Sheyo

SECRETARY

Fie Fie Sheyo

REGISTERED OFFICE

48 Tanglin Halt Road
#01-341
Singapore 142048

AUDITORS

TKNP Audit & Assurance
Public Accountants and
Chartered Accountants
Singapore

PRINCIPAL BANKER

DBS Bank Ltd

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VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of VIEWERS CHOICE SAVINGS LIMITED (the "company") for the financial period from 13 April 2015 (date of incorporation) to 31 December 2015.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the company for the period ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

Wee Kim Hin
Fie Fie Sheyo

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES

The directors who held office at the end of the financial period had, according to the register of Directors' shareholdings required to kept under Section 164 of the Companies Act, Chapter 50, the following interest in shares of the company:

<u>Name of director</u>	<u>Number of ordinary shares</u>			
	<u>At date of incorporation</u>	<u>At end of financial period</u>	<u>At date of incorporation</u>	<u>At end of financial period</u>
	<u>Direct interest</u>		<u>Indirect interest</u>	
<u>The company</u>				
Wee Kim Hin	1	1	-	50,000
Fie Fie Sheyo	1	1	-	-
<u>Ultimate holding company</u>				
<u>Asia Choice Limited</u>				
Wee Kim Hin	15,000	15,000	-	-

There were further changes to the interests in the shares between the end of financial period and the date of this statement. Wee Kim Hin and Fie Fie Sheyo transferred their direct interest of 1 share to Asia Choice Limited and other shareholder respectively on 17 May 2016.

Except as disclosed in this statement, no director who held office at the end of financial period had interests in shares, share options, warrants or debentures of the company, or of related corporations, either at the date of incorporation, or date of appointment if later, or at the end of the financial period.

DIRECTORS' STATEMENT

5. SHARE OPTIONS

There were no options granted during the financial period to subscribe for unissued shares of the company.

During the financial period, there were no shares issued 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 as at the end of the financial period.

6. AUDITORS

The auditors, **TKNP Audit & Assurance**, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept appointment as auditors.

On behalf of the Board of Directors,



Wee Kim Hin
Director



Fie Fie Sheyo
Director

Singapore

Date: **20 MAY 2016**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

VIEWERS CHOICE SAVINGS LIMITED (Company Registration No.: 201509843H)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIEWERS CHOICE SAVINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of VIEWERS CHOICE SAVINGS LIMITED (the "company") which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the company for the period ended on that date.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIEWERS CHOICE SAVINGS LIMITED (CONT'D)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.



TKNP Audit & Assurance
Public Accountants and
Chartered Accountants
Singapore

Ong Lien Wan, CA (Singapore)
Partner (Signing Auditor)

Singapore

Date: **20 MAY 2016**



VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	<u>Note</u>	<u>2015</u> <u>S\$</u>
<u>ASSETS</u>		
Current assets		
Other receivables	4	68,585
Prepayment		100
Cash and cash equivalents	5	4,347
Total assets		<u>73,032</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Other payables	6	7,724
Income tax payable	10	438
		<u>8,162</u>
Equity		
Share capital	7	50,000
Retained earnings		14,870
		<u>64,870</u>
Total liabilities and equity		<u>73,032</u>

See accompanying notes to the financial statements

VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 13 APRIL 2015
(DATE OF INCORPORATION) TO 31 DECEMBER 2015**

	<u>Note</u>	<u>13/04/2015 to</u> <u>31/12/2015</u> S\$
Revenue income	8	43,758
Cost of services		(18,060)
Gross profit		<u>25,698</u>
Administrative expenses	9	(10,390)
Profit before taxation		<u>15,308</u>
Income tax expense	10	(438)
Profit after taxation		<u>14,870</u>
Other comprehensive income		-
Total comprehensive income for the period		<u><u>14,870</u></u>

See accompanying notes to the financial statements

VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 13 APRIL 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

	<u>Note</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
		<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
At 13 April 2015 (Date of incorporation)	7	2	-	2
Issuance of ordinary shares	7	49,998	-	49,998
Total comprehensive income for the period		-	14,870	14,870
As at 31 December 2015		<u>50,000</u>	<u>14,870</u>	<u>64,870</u>

See accompanying notes to the financial statements

VIEWERS CHOICE SAVINGS LIMITED
(Company Registration No.: 201509843H)

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 13 APRIL 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

	<u>Note</u>	<u>13/04/2015 to</u> <u>31/12/2015</u> S\$
Cash flows from operating activities		
Profit before taxation		15,308
Operating profit before working capital changes		15,308
Changes in working capital:		
(Increase) in prepayment		(100)
(Increase) in other receivables		(68,585)
Increase in other payables		7,724
Net cash (used in) operating activities		<u>(45,653)</u>
Cash flow from financing activity		
Proceeds from issuance of ordinary shares	7	49,998
Net cash (used in) financing activity		<u>49,998</u>
Net increase in cash and cash equivalents		4,345
Cash and cash equivalents at date of incorporation		
- subscriber shares	7	2
Cash and cash equivalents at end of period	5	<u>4,347</u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

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

1. CORPORATE INFORMATION

VIEWERS CHOICE SAVINGS LIMITED (the "company") is domiciled and incorporated in Singapore. The holding company is Asia Choice Limited, an entity incorporated in Singapore.

The registered office and principal place of business of the company is located 48 Tanglin Halt Road #01-341 Singapore 142048.

The principal activity of the company is that of retail sale via mail order houses or via internet. There have been no significant changes in the nature of these activities during the financial period.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS").

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

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

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

During the financial period, the company adopted the new and revised FRSs that are mandatory for the current financial period. The adoption of these FRSs did not result in any significant change in the accounting policies.

2.2) FINANCIAL ASSETS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2) FINANCIAL ASSETS (CONT'D)

All regular way purchase and sale of financial assets are recognised or derecognised on the trade date i.e., the date that the company commits to purchase or sell the asset. ~~Regular way purchases or sales are purchase or sale of financial assets that require~~ delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

The company classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

Loans and receivables

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

As at the end of the financial period, the company has only financial assets in the category of loans and receivables.

2.3) IMPAIRMENT OF FINANCIAL ASSETS

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

Assets carried at amortised cost

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3) IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

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

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

2.4) OTHER RECEIVABLES

Other receivables are classified and accounted for as loans and receivables. The accounting policy for this category of financial assets is stated in Note 2.2 to the financial statements.

Further details on the accounting policy for impairment of financial assets are stated in Note 2.3 to the financial statements.

2.5) FINANCIAL LIABILITIES

Initial recognition and measurement

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

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

Subsequent measurement

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

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

The company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(b) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

2.6) DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

(a) Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- (i) the company transfers the contractual rights to receive the cash flows of the financial asset; or

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6) DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

(a) Financial Assets (Cont'd)

- (ii) ~~the company has transferred its rights to receive cash flows from the asset~~ and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included under liabilities. The interest element of the finance cost recognised in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each financial period.

(b) Financial Liabilities

A financial liability is derecognised when the obligation under the liability is extinguished.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.7) FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("functional currency"). The financial statements of the company are presented in Singapore Dollar, which is the functional currency of the company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of financial period are recognised in profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the financial statements and transferred to profit or loss as part of gain or loss on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7) FOREIGN CURRENCY TRANSLATION (CONT'D)

(b) Transactions and balances (Cont'd)

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 values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.8) RELATED PARTY TRANSACTIONS

A related party is a person or entity that is related to the company and includes:

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

Related parties in these financial statements refer to Asia Choice Limited's group of companies and parties related to directors and their family members, and key management personnel.

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

2.9) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank balance that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Cash carried in the statement of financial position are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10) INCOME TAX

(a) Current income tax

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

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

(b) Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 reporting date and based on the tax consequence which will follow from the manner in which the company expects, at financial period end, to recover or settle the carrying amounts of its assets and liabilities.

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 jurisdiction.

2.11) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from rendering of services is recognised when the services have been rendered and also recognised by reference to the underlying agreement.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12) SHARE CAPITAL

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements requires management to exercise judgments and requires the use of estimates and assumptions. These judgments affect the application of the company's accounting policies. The use of estimates and assumptions affect the reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1) JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

Other than those involving estimates, the management is of the opinion that there are no critical judgments that have a significant effect on the amounts recognised in the financial statements.

3.2) KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of loans and receivables

The company assesses at the end of each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. As at the end of the financial period, the carrying amount of the company's loans and receivables is disclosed in Note 13 to the financial statements.

4. OTHER RECEIVABLES

	<u>2015</u> S\$
Amount due from holding company	59,300
Amount due from related parties	9,085
Deposits	200
	<u>68,585</u>

The amount due from holding company is trade-related in nature, unsecured, interest-free and repayable on demand.

The amount due from related parties is trade-related in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2015, the carrying amount of other receivables approximates its fair value and is denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

5. CASH AND CASH EQUIVALENTS

	<u>2015</u> S\$
Cash at bank	4,347

Cash and cash equivalents is denominated in Singapore dollar.

As at 31 December 2015, the carrying amount of cash and cash equivalents approximates its fair value.

6. OTHER PAYABLES

	<u>2015</u> S\$
Accruals	3,000
Amount due to related parties	2,105
Sundry payables	2,619
	<u>7,724</u>

Other payables are denominated in Singapore dollar.

The amount due from related parties is trade-related in nature, unsecured, interest-free and repayable on demand.

As at 31 December 2015, the carrying amount of other payables approximates its fair value.

7. SHARE CAPITAL

	<u>2015</u> S\$
<u>Issued and fully paid:</u>	
At date of incorporation	2
Issued during the period	49,998
At end of period	<u>50,000</u>

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

8. REVENUE INCOME

Revenue income represents the gross value of invoices rendered for services to customers net of discount.

9. ADMINISTRATIVE EXPENSES

Included in administrative expenses are the following:

	<u>13/04/2015 to</u> <u>31/12/2015</u> S\$
Advertisement expenses	6,000
Audit fees	<u>3,000</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

10. INCOME TAX

	<u>13/04/2015 to</u> <u>31/12/2015</u> S\$
a) Income tax expense:	
Tax expense attributable to profit is made up of:	
- current income tax	438

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	<u>13/04/2015 to</u> <u>31/12/2015</u> S\$
Profit before income tax	15,308
Tax calculated at statutory tax rate of 17%	2,602
Effect of:	
- Singapore partial tax exemption	(1,726)
- statutory income tax rebate	(438)
	438
	<u>2015</u> S\$
b) Movement in income tax payable:	
At date of incorporation	-
Provision made during the period	438
End of period	438

11. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the company and related parties at terms agreed between the parties:

	<u>13/04/2015 to</u> <u>31/12/2015</u> S\$
Loans to:	
- <i>Related parties</i>	9,085
- <i>Holding company</i>	59,300
Settlement on behalf by:	
- <i>Holding company</i>	100
Collection on behalf by:	
- <i>Related party</i>	35,541
Commission paid to:	
- <i>Related parties</i>	17,680
Loans from:	
- <i>Related parties</i>	2,105

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

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

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

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

Other receivables, cash and cash equivalents and other payables

The carrying amounts approximate their fair values due to short-term nature of these balances.

13. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Loans and receivables

	<u>Fair values</u> <u>2015</u> S\$
Other receivables	68,585
Cash and cash equivalents	4,347
	<u>72,932</u>

Financial liabilities measured at amortised cost

	<u>Fair values</u> <u>2015</u> S\$
Other payables	<u>7,724</u>

14. FINANCIAL RISK MANAGEMENT

The company's activities expose it to liquidity risk and credit risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the company.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

14. FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting financial obligations due to shortage of funds. In the management of liquidity risk, the company's objective is to maintain continue funding from the holding company, directors and/or related parties for the operations of the company and to provide adequate funds for the company to meet its obligations as and when they fall due, if any.

The company's surplus funds are also managed centrally by placing them with reputable financial institutions on varying maturities.

The table below summarises the maturity profile of the company's financial liabilities at the end of the financial period on contractual undiscounted payments:

	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> <u>(including interest payments)</u>	
		<u>Total</u> S\$	<u>Within 1 period</u> S\$
2015			
Other payables	7,724	7,724	7,724
At end of period	<u>7,724</u>	<u>7,724</u>	<u>7,724</u>

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The company's exposure to credit risks arises primarily from other receivables. For other financial assets like cash and cash equivalents, the company minimises credit risks by dealing exclusively with counterparties of high credit rating.

There is no other significant concentration of credit risk other than an amount due from holding companies and a related party amounted to S\$68,345 and S\$40 respectively which is repayable on demand.

The maximum exposure to credit risk for the company is as follows:

	<u>2015</u> S\$
Other receivables	68,585
Cash and cash equivalents	4,347
Total credit exposure	<u>72,932</u>

The company do not hold any collateral or security.

Financial assets that are neither past due nor impaired

There are no financial assets that are neither past due nor impaired.

Financial assets that are either past due and/or impaired

There are no financial assets that are either past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

15. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the company comprises issued share capital and retained earnings.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial period from 13 April 2015 to 31 December 2015.

16. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting period beginning after 13 April 2015 or later periods and which the company has not early adopted in preparing these financial statement. The company's assessment of the impact of adopting those standards, amendments and interpretations does not result in any significant impact on the company's financial statements.

The company has not adopted the following standards that have been issued but not yet effective:

	<i>Effective for annual periods beginning on or after</i>
▪ Improvements to FRSs (November 2014)	
▪ Amendments to FRS 107 Financial Instruments: Disclosures	1 Jan 2016
▪ FRS 115 Revenue from Contracts with Customers	1 Jan 2018
▪ FRS 109 Financial Instruments	1 Jan 2018
▪ Amendment to FRS 1 Disclosure Initiative	1 Jan 2016

17. COMPARATIVE FIGURES

No comparative figures are available as these financial statements related to the company's first financial period since its date of incorporation.

18. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the company for the financial period from 13 April 2015 (date of incorporation) to 31 December 2015 were authorised for issue in accordance with a resolution of the directors as at the date of the directors' statement.

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