# XPRO GLOBAL PTE. LTD.

(Company Reg. No. 2011-03090-K)

(Incorporated in Singapore)

**REPORT AND FINANCIAL STATEMENTS**

31 March 2017

**XPRO GLOBAL PTE. LTD.**

(Company Reg. No. 2011-03090-K)

(Incorporated in Singapore)

# REPORT AND FINANCIAL STATEMENTS TO 31 MARCH 2017

**CONTENTS** **PAGE NO.**

**XPRO GLOBAL PTE. LTD.**

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(Incorporated in Singapore)

**DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2017.

**1. DIRECTORS' OPINION**

In the opinion of the directors,

(i) the financial statements set out on pages 6 to 21 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**2. DIRECTORS**

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

Sidharth Kumar Birla
Chandrasekharan Bhaskar
Tan Lee Chin Katy

**3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, (the "Act"), no director who held office at the end of the financial year had interests in share options, warrants or debentures of the Company, either at the beginning of the financial year or at the end of the financial year.

Particulars of interests of the directors who held office at the end of the financial year in shares of the Company are as follows:

| | **Ordinary shares of no par value** | | | |
|---|---|---|---|---|
| | **Shareholdings registered in the own name** | | **Shareholdings in which directors are deemed to have an interest** | |
| **The Company**<br>**Name of directors** | **At 01.04.2016** | **At 31.03.2017** | **At 01.04.2016** | **At 31.03.2017** |
| Sidharth Kumar Birla | - | - | 50,000 | 50,000 |
| Chandrasekharan Bhaskar | - | - | 50,000 | 50,000 |
| Tan Lee Chin Katy | - | - | - | - |
| | **Shares of Indian Rupees 10 each** | | | |
| **Holding Company**<br>**Xpro India Limited** | | | | |
| Sidharth Kumar Birla | 201,875 | 201,875 | - | - |
| Chandrasekharan Bhaskar | 32,581 | 32,581 | - | - |

**XPRO GLOBAL PTE. LTD.**
(Company Reg. No. 2011-03090-K)

**4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

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

**5. SHARE OPTIONS**

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

**6. AUDITORS**

Jee Ah Chian & Company have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

| ------------------------------------------- | -------------------------------------------------- |
|---|---|
| **SIDHARTH KUMAR BIRLA** | **CHANDRASEKHARAN BHASKAR** |
| Director | Director |

Date : 08 May 2017

**JEE AH CHIAN & COMPANY**
Public Accountants and Chartered Accountants, Singapore
9 Kelantan Lane #06-01, Singapore 208628

Our Ref : SHK/CGH/YC Singapore : 08 May 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**
**XPRO GLOBAL PTE. LTD.**

(Company Reg. No. 2011-03090-K)

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of **XPRO GLOBAL PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 6 to 21.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

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

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

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

**INDEPENDENT AUDITOR'S REPORT (cont'd)**
**XPRO GLOBAL PTE. LTD.**
(Company Reg. No. 2011-03090-K)

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

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.

**INDEPENDENT AUDITOR'S REPORT (cont'd)**
**XPRO GLOBAL PTE. LTD.**
(Company Reg. No. 2011-03090-K)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Report on Other Legal and Regulatory Requirements***

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

**Public Accountants and**
**Chartered Accountants**
**Singapore**

**XPRO GLOBAL PTE. LTD.**

(Company Reg. No. 2011-03090-K)

(Incorporated in Singapore)

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

| | Note | 2017 | 2016 |
|---|---|---|---|
| | | S$ | S$ |
| **ASSETS** | | | |
| **Current assets** | | | |
| Trade receivable | 4 | - | 8,223 |
| Bank balance | | 49,750 | 47,964 |
| | | 49,750 | 56,187 |
| **Total assets** | | 49,750 | 56,187 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Share capital | 5 | 50,000 | 50,000 |
| (Accumulated losses)/Retained earnings | | (1,320) | 5,017 |
| | | 48,680 | 55,017 |
| **Current liabilities** | | | |
| Accruals | | 1,070 | 1,070 |
| Provision for taxation | | - | 100 |
| | | 1,070 | 1,170 |
| **Total equity and liabilities** | | 49,750 | 56,187 |

The notes set out on pages 10 to 21 form part of the financial statements.

**XPRO GLOBAL PTE. LTD.**

(Company Reg. No. 2011-03090-K)

(Incorporated in Singapore)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

| | Note | 2017 S$ | 2016 S$ |
|---|---|---|---|
| Services rendered | | - | 8,223 |
| Foreign exchange (loss)/gain | | (84) | 57 |
| Administrative expenses | | (6,230) | (6,160) |
| **(Loss)/profit before taxation** | 6 | (6,314) | 2,120 |
| Income tax expense | 7 | (23) | (100) |
| **(Loss)/profit for the year** | | (6,337) | 2,020 |
| Other comprehensive income | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | (6,337) | 2,020 |

The notes set out on pages 10 to 21 form part of the financial statements.

**XPRO GLOBAL PTE. LTD.**

(Company Reg. No. 2011-03090-K)

(Incorporated in Singapore)

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 MARCH 2017**

| | **Share capital** S$ | **Retained earnings/ (Accumulated losses)** S$ | **Total** S$ |
|---|---|---|---|
| **Balance as at 31 March 2015** | 50,000 | 2,997 | 52,997 |
| Total comprehensive income for the year | - | 2,020 | 2,020 |
| **Balance as at 31 March 2016** | 50,000 | 5,017 | 55,017 |
| Total comprehensive income for the year | - | (6,337) | (6,337) |
| **Balance as at 31 March 2017** | 50,000 | (1,320) | 48,680 |

The notes set out on pages 10 to 21 form part of the financial statements.

**XPRO GLOBAL PTE. LTD.**

(Company Reg.No. 2011-03090-K)

(Incorporated in Singapore)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

| | **2017** | **2016** |
|---|---|---|
| | S$ | S$ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Operating (loss)/profit before working capital changes | (6,314) | 2,120 |
| Trade receivable | 8,223 | 2,813 |
| Deposit | - | 500 |
| Accruals | - | (900) |
| **Net cash generated from operations** | 1,909 | 4,533 |
| Income tax paid | (123) | - |
| **Net cash generated from operating activities** | 1,786 | 4,533 |
| Net increase in cash and cash equivalents | 1,786 | 4,533 |
| Cash and cash equivalents at beginning of year | 47,964 | 43,431 |
| **Cash and cash equivalents at end of year** | 49,750 | 47,964 |

The notes set out on pages 10 to 21 form part of the financial statements.

**XPRO GLOBAL PTE. LTD.**

(Company Reg. No. 2011-03090-K)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017**

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

## 1. GENERAL INFORMATION

**XPRO GLOBAL PTE. LTD.** (the Company) is a limited liability company incorporated and domiciled in Singapore. The Company is a wholly owned subsidiary of Xpro India Limited, a company incorporated in India.

The registered office of the Company is located at No. 4 Shenton Way #28-01, SGX Centre II, Singapore 068807.

The principal activities of the Company are those of general wholesale trade including general importers and exporters and business and management consultancy services.

The financial statements of the Company for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 08 May 2017.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (“S$”).

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 01 April 2016. The adoption of these standards did not have any effect on the financial performance or position of the Company.

**XPRO GLOBAL PTE. LTD.**
(Company Reg. No. 2011-03090-K)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to FRS 12 : Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |
| Amendments to FRS 7 : Disclosure Initiative | 1 January 2017 |
| FRS 115 : Revenue from Contracts with Customers | 1 January 2018 |
| FRS 109 : Financial Instruments | 1 January 2018 |
| Amendments to FRS 115 : Clarifications to FRS 115 Revenue from Contracts with Customers | 1 January 2018 |
| Amendments to FRS 102 : Classification and Measurement of Share-Based Payment Transactions | 1 January 2018 |
| Amendments to FRS 40 : Transfers of Investment Property | 1 January 2018 |
| FRS 116 Leases | 1 January 2019 |
| Amendments to FRS 110 and FRS 28 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Standards issued but not yet effective (cont'd)

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

***FRS 109 Financial Instruments***

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its current systems and processes.

Under FRS 109, the Company will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Company apply FRS 109.

FRS 109 is effective for annual periods beginning on or after 01 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory.

***FRS 115 Revenue from Contracts with Customers***

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

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

Either a full or modified retrospective application is required for annual periods beginning on or after 01 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

***FRS 116 Leases***

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases which do not contain any purchase options. The new standard is effective for annual periods beginning on or after 01 January 2019.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be Singapore Dollar. Revenue and expenses are primarily in Singapore Dollar.

### 2.5 Financial assets

***Initial recognition and measurement***

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

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

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

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

***Derecognition***

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

***Regular way purchase or sale of a financial asset***

All regular way purchases and sales 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 purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.6 Financial liabilities

***Initial recognition and measurement***

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transactions 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 rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

***Derecognition***

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

### 2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank only.

### 2.8 Provisions

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.9 Share capital and share issuance expenses

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.

### 2.10 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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company 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 recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.11 Related parties

A related party is defined as follows:

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

- (i) Has control or joint control over the Company
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company;

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

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

***Key management personnel***

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

The key management personnel are directors of the Company.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, 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. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

***Impairment of loans and receivables***

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. 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 debtor 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. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 8 to the financial statements.

## 4. TRADE RECEIVABLE

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

Receivables that are neither past due nor impaired relate to a wide range of customers for whom there were no recent history of default.

**XPRO GLOBAL PTE. LTD.**
(Company Reg. No. 2011-03090-K)

## 5. SHARE CAPITAL

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| **Issued and fully paid:** | | |
| 50,000 ordinary shares | 50,000 | 50,000 |

All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. 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 Company is not subject to externally imposed capital requirements. All shares rank equally with regard to the Company residual assets.

## 6. (LOSS)/PROFIT BEFORE TAXATION

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| **This is arrived at after charging/(crediting):** | | |
| Director's fee | 3,600 | 3,600 |
| Foreign exchange loss/(gain) | 84 | (57) |

## 7. INCOME TAX EXPENSE

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| Current provision | - | 100 |
| Underprovision in prior year | 23 | - |
| | 23 | 100 |

Reconciliation of the tax expense and the product of accounting (loss)/profit multiplied by the applicable income tax rate for the Company is as follows:

| | 2017 | 2016 |
|---|---|---|
| | S$ | S$ |
| (Loss)/profit before taxation | (6,314) | 2,120 |
| Tax at the applicable tax rate of 17% (2016 : 17%) | (1,073) | 360 |
| Non-deductible expenses | - | 55 |
| Effect of tax exemption | - | (270) |
| Tax rebate | - | (45) |
| Effects of unutilised tax losses | 1,073 | - |
| Underprovision in prior year | 23 | - |
| | 23 | 100 |

**XPRO GLOBAL PTE. LTD.**
(Company Reg. No. 2011-03090-K)

## 8. FINANCIAL INSTRUMENTS

### (a) Categories of financial assets and liabilities

The table below is an analysis of the carrying amounts of financial instruments by categories:
`

| | Note | 2017 S$ | 2016 S$ |
|---|---|---|---|
| **Loans and receivables** | | | |
| Trade receivables | 4 | - | 8,223 |
| Bank balance | | 49,750 | 47,964 |
| | | 49,750 | 56,187 |
| **Financial liabilities carried at amortised cost** | | | |
| Accruals | | 1,070 | 1,070 |

### (b) Fair value of financial instruments

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.

***Financial instruments whose carrying amounts approximate fair value***

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are re-priced frequently.

## 9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For all financial assets (including cash and cash equivalents and other receivables and sundry deposits), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

**9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

**(a) Credit risk (cont'd)**

***Exposure to credit risk***

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

There is no significant concentration of credit risk except for trade receivable which are disclosed in Note 4.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company monitors and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

***Analysis of financial instruments by remaining contractual maturities***

The following table details the remaining contractual maturity for the Company's financial liabilities at the end of the reporting period. The table has been drawn up using undiscounted cash flows based on the earlier of the contractual date or when the Company is expected to pay. The table includes both principal and estimated interest cash flows.

| | **One year or less** | **One to five years** | **Over five years** | **Total contractual undiscounted cash flow** |
|---|---|---|---|---|
| | S$ | S$ | S$ | S$ |
| **2017** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Accruals | 1,070 | - | - | 1,070 |
| **2016** | | | | |
| **Non-derivative financial liabilities** | | | | |
| Accruals | 1,070 | - | - | 1,070 |

## 9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Company does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

## 10. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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. No changes were made in the objectives, policies or processes during the years ended 31 March 2017 and 31 March 2016.