

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**  
**(Registration Number:200909241H)**

**FINANCIAL STATEMENTS FOR THE**  
**FINANCIAL YEAR ENDED**  
**31 MARCH 2015**

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
DIRECTORS' REPORT	1
STATEMENT BY DIRECTORS	3
INDEPENDENT AUDITOR'S REPORT	4
BALANCE SHEET	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-18

**CHMINVEST PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**DIRECTORS' REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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The directors present their report to the member together with the audited financial statements of the Company for the year ended 31 March 2015.

**Directors:**

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

**NARAYANASWAMY ULAGANATHAN (resigned on 01/09/2014)**  
**NARAYANAN NAMBI RAJAN**  
**SHIV RAJ KAPUR**  
**ANANTHANARAYANAN JANAKIRAMAN**

**Arrangements to enable the director to acquire shares or debentures**

Neither at the end of nor at any time during the 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.

**Directors' interest in shares or debentures**

According to the Register of Directors' Shareholdings kept by the company under Section 164 of the Companies Act, Cap.50, none of the directors holding office at the end of the financial year had any interest in the shares in or debentures of the Company or any related corporation.

**Directors' contractual benefits**

During the financial year, the directors did not receive or become entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the directors or with a firm of which he/she is a member or with a Company in which he/she has a substantial financial interest other than those disclosed in the financial statements.

**Share options**

No options were granted during the financial year to take up the unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options.

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

**CHMINVEST PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**

**DIRECTORS' REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**1. Independent Auditor:**

The independent auditor M/S MGI N Rajan Associates, has expressed its willingness to accept re - appointment.

On behalf of the Board,



**ANANTHANARAYANAN JANAKIRAMAN**  
**DIRECTOR**



**SHIV RAJ KAPUR**  
**DIRECTOR**

Singapore/India

Date: **30 APR. 2015**

**CHMINVEST PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**

**STATEMENT BY DIRECTORS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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In the opinion of the directors,

- a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results of the business, changes in equity and cash flows of the Company for the 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.

On behalf of the Board,



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**ANANTHANARAYANAN JANAKIRAMAN**  
**DIRECTOR**



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**SHIV RAJ KAPUR**  
**DIRECTOR**

Singapore/India

Date: **30 APR 2015**



**MGI N RAJAN ASSOCIATES**  
**PUBLIC ACCOUNTANTS AND**  
**CHARTERED ACCOUNTANTS SINGAPORE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**  
**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of CHEMINVEST PTE LTD ("The Company"), which comprise the balance sheet of the Company as at 31 March 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

**Auditor's 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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 control. 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**

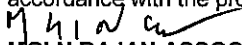
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Company for the year ended on that date.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to the note 2.15 in the financial statements which describes going concern basis. We wish to highlight that at 31 March 2015, the company's current liabilities exceeded current assets by US\$ 696,018. The financial statements of the company have been prepared on a going concern basis as the holding company has undertaken to provide continuing support until such time as the Company is able to operate on its own financial resources.

**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.

  
**MGI N RAJAN ASSOCIATES**  
**PUBLIC ACCOUNTANTS AND**  
**CHARTERED ACCOUNTANTS**

Singapore  
Date: 30 APR 2015

10, JALAN BESAR #10-12, SIM LIM TOWER, SINGAPORE 208787.  
TEL: (065) 6293 8089/6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@nra.com.sg Web: www.nra.com.sg

G. Natarajan, P.S. Somasekharan, D. Govindaraj

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**BALANCE SHEET AS AT 31.03.2015**

	Note	2015 US\$	2014 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Subsidiary	5	<u>7,236,806</u>	7,236,806
		<u>7,236,806</u>	<u>7,236,806</u>
<b>Current assets</b>			
Cash and cash equivalents	6	22,300	33,413
Amount due from subsidiary	5	1,670,483	1,389,768
Deposit		3,633	3,926
		<u>1,696,416</u>	<u>1,427,107</u>
<b>Total assets</b>		<b>8,933,222</b>	<b>8,663,913</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Amount due to holding company	7	1,115,830	845,983
Other payables	8	10,520	5,734
Loan from holding company	7	1,266,084	1,266,084
		<u>2,392,434</u>	<u>2,117,801</u>
<b>Non-current liabilities</b>			
Loan from holding company	7	<u>6,330,420</u>	6,330,420
		<u>6,330,420</u>	<u>6,330,420</u>
<b>Total liabilities</b>		<b>8,722,854</b>	<b>8,448,221</b>
<b>NET ASSETS</b>		<b>210,368</b>	<b>215,692</b>
<b>EQUITY</b>			
Share capital	9	403,497	403,497
Accumulated (losses)		<u>(193,129)</u>	<u>(187,805)</u>
<b>Total equity</b>		<u>210,368</u>	<u>215,692</u>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

	Note	2015 US\$	2014 US\$
<b>Revenue</b>			
Interest income		320,226	286,500
Other income		-	4,969
Other operating expenses		(12,502)	(12,271)
Finance costs	14	(303,860)	(304,029)
<b>Profit/(Loss) before tax</b>	<b>3</b>	<b>3,864</b>	<b>(24,831)</b>
Tax expense	4	(9,188)	(8,433)
<b>(Loss) after tax</b>		<b>(5,324)</b>	<b>(33,264)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(5,324)</b>	<b>(33,264)</b>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

	<b>Share capital US\$</b>	<b>Accumulated (losses) US\$</b>	<b>Total US\$</b>
<b>Balance as at 31 March 2013</b>	403,497	(154,541)	248,956
Total comprehensive income	-	(33,264)	(33,264)
<b>Balance as at 31 March 2014</b>	403,497	(187,805)	215,692
Total comprehensive income	-	(5,324)	(5,324)
<b>Balance as at 31 March 2015</b>	<b>403,497</b>	<b>(193,129)</b>	<b>210,368</b>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*



**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

	Note	2015 US\$	2014 US\$
<b>Cash flows from operating activities</b>			
Profit/(Loss) before tax		3,864	(24,831)
<b>Operating (loss) before working capital changes</b>		<u>3,864</u>	<u>(24,831)</u>
(Increase)/decrease in deposit		293	(3,926)
Increase/(decrease) in other payables		4,786	(9,775)
<b>Cash (used in) operations</b>		<u>8,943</u>	<u>(38,532)</u>
Tax paid		(9,188)	(8,433)
<b>Net cash flows (used in) operations</b>		<u>(245)</u>	<u>(46,965)</u>
<b>Cash flows from investing activities</b>			
Amount due from Subsidiary		(280,715)	(202,175)
<b>Net cash flows (used in)/from investing activities</b>		<u>(280,715)</u>	<u>(202,175)</u>
<b>Cash flows from financing activities</b>			
Due to holding company		269,847	217,979
<b>Net cash flows from financing activities</b>		<u>269,847</u>	<u>217,979</u>
Net (decrease)/increase in cash and cash equivalents		(11,113)	(31,161)
Cash and cash equivalents at beginning of the year		33,413	64,574
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<u>22,300</u>	<u>33,413</u>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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

**1. GENERAL**

The Company was incorporated as a limited private Company and domiciled in Singapore.

The financial statements of the Company for the financial year ended 31 March 2015 were authorized for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The principal activities of the Company are that of investment holdings.

There have been no significant changes in the nature of these activities during the year.

The company's registered office address is at  
10, Jalan Besar, # 10-09 Sim Lim Tower, Singapore 208787.

The Company's immediate holding company is Tarderiv International Pte Ltd, a company incorporated in Singapore and its ultimate holding company is Thirumalai Chemicals Limited, a company incorporated in India.

The financial statements are presented in United States Dollar, which is also the functional currency of the Company.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

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

The preparation of the financial statements in conformity with Singapore Financial Reporting Standards requires using of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. The Company has assessed that there are no estimates or judgements used that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

On 1 April 2014, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2014.

The adoption of these new or revised FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current and prior financial years.

**2.2 Revenue recognition**

Interest income is recognised using the effective interest method.

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**2. SIGNIFICANT ACCOUNTING POLICIES CONT'D...**

**2.3 Currency translation**

*Transactions and balances*

Monetary assets and liabilities in foreign currencies are translated into United States dollar at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit and loss account in the period in which they arise.

**2.4 Financial Assets**

Loans and receivables

Loans and receivables include "cash and cash equivalents", "other receivables" in the balance sheet.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment 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.

**2.5 Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are recognised on the balance sheet 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 and in the case of other financial liabilities, plus directly attributable transaction costs.

*Subsequent measurement*

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

*Other financial liabilities*

After initial recognition, other financial liabilities 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 amortisation process.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged, expelleed or expired. When an existing financial liability is replaced by another from the same lender or 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 the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**2. SIGNIFICANT ACCOUNTING POLICIES CONT'D...**

**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise bank deposits with financial institutions.

**2.7 Taxation**

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax law) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset relating to the deductible temporary differences arises from goodwill or the initial recognition of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.)

The statutory tax rate enacted at the balance sheet date is used to determine deferred income tax.

**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 a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the income statement as interest expense.

**2.9 Operating lease payment**

Payment made under operating leases (net of any incentives received from the lessor) are recognised in the income statement on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the income statement when incurred.

**2.10 Share capital**

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**2. SIGNIFICANT ACCOUNTING POLICIES CONT'D...**

**2.11 Subsidiary**

Subsidiary is an entity over which the company has power to govern the financial and economic policies generally accompanying a shareholding of more than one half of the voting rights. 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 the subsidiary is stated in the financial statements of the Company at cost less impairments losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The subsidiary's results have not been consolidated as the ultimate holding company Thirumalai Chemicals Limited, a Company incorporated in India publishes the consolidated financial statements.

**2.12 Related Party**

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

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

**2.13 Borrowing costs**

Borrowing costs are recognised in profit or loss using the effective interest method.

**2.14 Borrowings**

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities. Borrowings are initially recognized at fair value (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

**2.15 Going concern**

The company has net loss after tax US\$ 5,324 and excess of current liabilities over current assets by US\$ 696,018 for the year. The financial statements have been prepared on the basis that the company is a going concern as the holding company has given assurance of its continued financial support to the company as and when required.

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**3. PROFIT/(LOSS)BEFORE TAX**

This includes the following:-

	2015 US\$	2014 US\$
Interest to holding company	303,860	303,860
Director's fee	2,408	2,349
	<u>2,408</u>	<u>2,349</u>

**4. TAX EXPENSE**

	2015 US\$	2014 US\$
<b>Current tax</b>		
Foreign tax utilized for current year	163	-
Excess foreign tax paid	4,103	8,433
Under provision for tax of prior years	4,922	-
	<u>9,188</u>	<u>8,433</u>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's (loss) as a result of the following:-

	2015 US\$	2014 US\$
Profit/(Loss) before taxation	<u>3,864</u>	<u>(24,831)</u>
Tax at statutory rate of 17% (2014:17%)	657	(4,221)
Tax effect on non-deductibles	336	4,221
Tax effect of statutory deductions	(745)	-
Rebate @30% (2014:30%)	(70)	-
Exchange difference adjustment	(15)	-
Under provision for tax of prior years	4,922	-
Excess foreign tax paid	4,103	8,433
	<u>9,188</u>	<u>8,433</u>

**5. SUBSIDIARY**

	2015 US\$	2014 US\$
<b>Non-Current Assets</b>		
Unquoted shares stated at cost	3,125,000	3,125,000
Loan to Subsidiary – Due after 12 months* **	4,111,806	4,111,806
	<u>7,236,806</u>	<u>7,236,806</u>
<b>Current Assets</b>		
Loan to subsidiary – Due within 12 months* **	663,194	663,194
Interest receivable on loan* **	1,007,289	726,574
	<u>1,670,483</u>	<u>1,389,768</u>
	<u>8,907,289</u>	<u>8,626,574</u>

\*Loan to Subsidiary is unsecured, carries interest of 6% per annum (2014:6%) and is due within six years from June 2014 in equal installments.

\*\*It is unsecured and due on demand.

**CHEMINVEST PTE LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**5. SUBSIDIARY, CONT'D**

Details of the subsidiary as at 31 March 2015 are as follows:

Subsidiary company	Principal activities	Cost of investment		Country of incorporation	Equity holding	
		2015	2014		2015	2014
		US\$	US\$		%	%
Optimistic Organic SdnBhd	Manufacturing & trading of Petro-chemical products	3,125,000	3,125,000	Malaysia	100	100

**6. CASH AND CASH EQUIVALENTS**

	2015	2014
	US\$	US\$
Cash at banks	22,300	33,413
	<u>22,300</u>	<u>33,413</u>

**7. AMOUNT DUE TO HOLDING COMPANY**

	2015	2014
	US\$	US\$
<b>Current liabilities</b>		
Interest payable ( Net of non-trade payables)	1,115,830	845,983
Loan from holding co. - Due within 12 months	1,266,084	1,266,084
	<u>2,381,914</u>	<u>2,112,067</u>
<b>Non -Current liabilities</b>		
Loan from holding co. - Due after 12 months	6,330,420	6,330,420
	<u>6,330,420</u>	<u>6,330,420</u>
	<u>8,712,334</u>	<u>8,442,487</u>

This represents interest payable on the loan availed from holding company. These amounts are unsecured and repayable on demand.

The loan is unsecured, carries interest of 4% per annum (2014:4%) and repayable within six years from April 2014 in equal installments.

**8. OTHER PAYABLES**

	2015	2014
	US\$	US\$
Accruals	10,520	5,734
	<u>10,520</u>	<u>5,734</u>

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**9. SHARE CAPITAL**

	2015		2014	
	No. of shares issued	US\$	No. of shares issued	US\$
<b>Ordinary shares issued and fully Paid</b>				
Balance at beginning of year	405,000	403,497	405,000	403,497
<b>Balance at end of year</b>	<b>405,000</b>	<b>403,497</b>	<b>405,000</b>	<b>403,497</b>

The ordinary shares are with no par value and entitled for dividend as and when declared and carry one vote per share with no restriction.

**10. FINANCIAL RISK MANAGEMENT**

The Company does not have any written financial risk management policies and guidelines.

The Company's exposures to financial risks associated with financial instruments held in the ordinary course of business include:

**a) Price risk**

**i) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company is not exposed to movements in foreign currencies exchange rates. The Company's foreign exchange transactions are insignificant.

**ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to movements in market interest rates as it maintains its interest-bearing asset and liability in fixed rate instrument.

**iii) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

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

**b) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to due from its subsidiary for the loan amounting to US\$ 5,782,289 (2014: US\$ 5,501,574).



**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**10. FINANCIAL RISK MANAGEMENT, CONT'D**

**c) Liquidity risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:-

	<i>Less than 1 year US\$</i>	<i>Between 1 and 2 years US\$</i>	<i>Between 2 and 5 years US\$</i>	<i>After 5 years US\$</i>	<i>Total US\$</i>
<b>At 31 March 2015</b>					
Due to holding company	1,115,830	-	-	-	1,115,830
Other payables	10,520	-	-	-	10,520
Loan from holding company	1,266,084	1,266,084	3,798,252	1,266,084	7,596,504
<b>Total</b>	<b>2,392,434</b>	<b>1,266,084</b>	<b>3,798,252</b>	<b>1,266,084</b>	<b>8,722,854</b>

	<i>Less than 1 year US\$</i>	<i>Between 1 and 2 years US\$</i>	<i>Between 2 and 5 years US\$</i>	<i>After 5 years US\$</i>	<i>Total US\$</i>
<b>At 31 March 2014</b>					
Due to holding company	845,982	-	-	-	845,982
Other payables	5,735	-	-	-	5,735
Loan from holding company	1,266,084	1,266,084	3,798,252	1,266,084	7,596,504
<b>Total</b>	<b>2,117,801</b>	<b>1,266,084</b>	<b>3,798,252</b>	<b>1,266,084</b>	<b>8,448,221</b>

**d) Fair value instruments by category**

The carrying amount of the different categories of financial instruments is as follows:-

	<b>2015 US\$</b>	<b>2014 US\$</b>
Loans and receivables	5,808,222	5,538,913
Financial liabilities at amortized cost	8,722,854	8,448,221

**11. CAPITAL MANAGEMENT**

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

**CHEMINVEST PTE LTD**  
(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**11. CAPITAL MANAGEMENT, CONT'D**

The board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt. The gearing ratio is computed as net debt divided by total capital.

	2015 US\$	2014 US\$
Net debt	8,700,554	8,414,808
Total equity	210,368	215,692
<b>Total capital</b>	<b>8,910,922</b>	<b>8,630,500</b>
Gearing ratio	97.64%	97.5%

**12. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

**13. RELATED PARTY DISCLOSURES**

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties who are members of the Company took place during the year at terms agreed between the parties.

	2015 US\$	2014 US\$
Interest income from Subsidiary	320,226	286,500
Interest paid to holding Company	303,860	303,860
Payments made on behalf of the immediate holding company	34,013	91,406

Outstanding balances at 31 March 2015, arising from loans receivables/payables within 12 months and after 12 months from balance sheet date are disclosed in Notes 5 & 7.

**14. FINANCE COSTS**

	2015 US\$	2014 US\$
Interest on loan	303,860	303,860
Interest on overdraft	-	169
	<b>303,860</b>	<b>304,029</b>

**CHEMINVEST PTE LTD**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**15. Contingent liabilities:**

Company has given corporate guarantee to a bank for and on behalf of its subsidiary amounting to RM 32,000,000, US\$ 8,633,948 (2014: RM 32,000,000, US\$ 9,801,519).

**16. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

<b>Description</b>	<b>Effective annual periods beginning on or after</b>
<i>Amendment to FRS 24 Related Party Disclosures</i>	1 Jul 2014
<i>Amendment to FRS 113 Fair Value Measurement</i>	1 Jul 2014
<i>Amendment to FRS 103 Business Combinations 1</i>	1 Jul 2014
<i>Amendment to FRS 40 Investment Property</i>	1 Jul 2014
<i>Amendment to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 Jan 2016
<i>Amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations</i>	1 Jan 2016

The initial application of these standards and interpretations, where applicable, are not expected to have any material impact on the financial statements of the Company.

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