

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

FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED
31 MARCH 2016

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

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2016.

Opinion of the directors:

In the opinion of the directors,

- (a) 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 March 2016 and the financial performance 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.

Directors

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

NARAYANAN NAMBI RAJAN (Resigned on 29/07/2015)
ANANTHANARAYANAN JANAKIRAMAN
SHIV RAJ KAPUR

Arrangements to enable directors to acquire shares and debentures

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

Directors' interest in shares or debentures

According to the Register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year has no interest in the shares or debentures of the Company or its related corporations.

Options to take up unissued shares

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

Options exercised

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

Unissued shares under option


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

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

DIRECTORS' STATEMENT, CONT'D
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Independent Auditor

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



ANANTHANARAYANAN JANKIRAMAN
DIRECTOR



SHIV RAJ KAPUR
DIRECTOR

Date

06 MAY 2016



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 statement of financial position of the company as at 31 March 2016, the statement of profit or loss and other 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 information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give true and fair view in accordance with the provision 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 financial statements 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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 financial position of the Company as at 31 March 2016 and of the financial performance, 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 2.14 in the financial statements which describes going concern basis. We wish to highlight that at 31 March 2016, the company's current liabilities exceeded current assets by US\$ 754,807. 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

06 MAY 2016

Singapore
Date:

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

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

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 US\$	2015 US\$
ASSETS			
Non-current assets			
Subsidiary	5	<u>7,236,806</u>	<u>7,236,806</u>
		<u>7,236,806</u>	<u>7,236,806</u>
Current assets			
Cash and cash equivalents	6	26,113	22,300
Amount due from subsidiary	5	1,861,444	1,670,483
Deposit		<u>3,702</u>	<u>3,633</u>
		<u>1,891,259</u>	<u>1,696,416</u>
Total assets		<u>9,128,065</u>	<u>8,933,222</u>
LIABILITIES			
Current liabilities			
Amount due to holding company	7	1,363,076	1,115,830
Other payables	8	10,276	10,520
Loan from holding company	7	3,798,252	1,266,084
Provision for tax		<u>6,630</u>	<u>-</u>
		<u>5,178,234</u>	<u>2,392,434</u>
Non-current liabilities			
Loan from holding company	7	<u>3,798,252</u>	<u>6,330,420</u>
		<u>3,798,252</u>	<u>6,330,420</u>
Total liabilities		<u>8,976,486</u>	<u>8,722,854</u>
NET ASSETS		<u>151,579</u>	<u>210,368</u>
EQUITY			
Share capital	9	403,497	403,497
Accumulated (losses)		<u>(251,918)</u>	<u>(193,129)</u>
Total equity		<u>151,579</u>	<u>210,368</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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	Note	2016 US\$	2015 US\$
Revenue			
Interest income		286,500	320,226
Other income		241	
Other operating expenses		(14,520)	(12,502)
Finance costs	15	(303,860)	(303,860)
Profit/(Loss) before tax	3	<u>(31,639)</u>	3,864
Tax expense	4	<u>(27,150)</u>	<u>(9,188)</u>
(Loss) after tax		<u>(58,789)</u>	<u>(5,324)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(58,789)</u>	<u>(5,324)</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 CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Share capital US\$	Accumulated (losses) US\$	Total US\$
Balance as at 31 March 2014	403,497	(187,805)	215,692
Total comprehensive income	-	(5,324)	(5,324)
Balance as at 31 March 2015	403,497	(193,129)	210,368
Total comprehensive income	-	(58,789)	(58,789)
Balance as at 31 March 2016	403,497	(251,918)	151,579

(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 2016

	Note	2016 US\$	2015 US\$
Cash flows from operating activities			
Profit/(Loss) before tax		(31,639)	3,864
Operating (loss) before working capital changes		(31,639)	3,864
(Increase)/decrease in deposit		(69)	293
Increase/(decrease) in other payables		(244)	4,786
Cash (used in) operations		(31,952)	8,943
Tax paid		(20,521)	(9,188)
Net cash flows (used in) operations		(52,472)	(245)
Cash flows from investing activities			
Amount due from Subsidiary		(190,961)	(280,715)
Net cash flows (used in)/from investing activities		(190,961)	(280,715)
Cash flows from financing activities			
Due to holding company		247,246	269,847
Net cash flows from financing activities		247,246	269,847
Net (decrease)/increase in cash and cash equivalents		3,813	(11,113)
Cash and cash equivalents at beginning of the year		22,300	33,413
Cash and cash equivalents at end of the year	6	26,113	22,300

(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 2016

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 2016 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.

Adoption of new and revised standards

In the current financial year, 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, 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.2 Revenue recognition

Interest income is recognised using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd

2.3 Currency translation

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars 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. However, where a foreign currency transaction is to be settled at a contracted rate or is covered by a related or matching forward exchange contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

2.4 Financial Assets

Initial recognition and measurement

Financial assets are recognized 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 recognized 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.

The Company has the following non-derivative financial assets: loans and receivables.

Subsequent measurement

Loans and receivables

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

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks.

De-recognition

A financial asset is derecognized when the contractual right to receive cash flows from the asset has expired. On de-recognition 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 recognized in other comprehensive income is recognized in profit or loss.

2.5 Financial liabilities

Initial recognition and measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd

2.5 Financial liabilities, Cont'd

Subsequent measurement

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

Such financial liabilities comprise trade and other payables.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition 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.

2.6 Impairment of financial assets

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

Financial 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 recognized are not included in a collective assessment for 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 recognized 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.

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 impaired loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized 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. SIGNIFICANT ACCOUNTING POLICIES, Cont'd

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and banks and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

2.8 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 rates enacted the balance sheet date is used to determine deferred income tax.

2.9 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.

2.10 Share capital

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

2.11 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. SIGNIFICANT ACCOUNTING POLICIES, Cont'd

2.12 Related Party

A related party is defined as follows:

(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 (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).

For the purpose of these financial statements, parties are considered to be related to the

Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

2.13 Borrowing costs

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

2.14 Going concern

The company has net loss after tax US\$ 58,789 and excess of current liabilities over current assets by US\$ 754,807 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 2016

3. PROFIT/(LOSS)BEFORE TAX

This includes the following:-

	2016 US\$	2015 US\$
Interest to holding company	303,860	303,860
Director's fee	2,227	2,408
	<u>2,227</u>	<u>2,408</u>

4. TAX EXPENSE

	2016 US\$	2015 US\$
Current tax		
Current year provision	6,630	163
Under provision for tax of prior years	20,520	9,025
	<u>27,150</u>	<u>9,188</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:-

	2016 US\$	2015 US\$
Profit/(Loss) before taxation	<u>(31,639)</u>	<u>3,864</u>
Tax at statutory rate of 17% (2015:17%)	48,705	657
Tax effect on non-deductibles	-	336
Tax effect of statutory deductions	(38,867)	(745)
Rebate @30% (2015:30%)	(2,841)	(70)
Exchange difference adjustment	(367)	(15)
Under provision for tax of prior years	20,520	9,025
	<u>27,150</u>	<u>9,188</u>

Movement in taxation

	2016 US\$	2015 US\$
Beginning of financial year	-	-
Tax paid	(20,520)	9,025
Under/(Over)provision of tax in prior year	20,521	(9,188)
Current tax	6,630	163
	<u>6,630</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

5. SUBSIDIARY

	2016 US\$	2015 US\$
Non-Current Assets		
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>
Current Assets		
Loan to subsidiary – Due within 12 months*	663,194	663,194
Interest receivable on loan**	1,198,250	1,007,289
	<u>1,861,444</u>	<u>1,670,483</u>
	<u>9,098,250</u>	<u>8,907,289</u>

*Loan to Subsidiary is unsecured, carries interest of 6% per annum (2015:6%) and is due within six years from June 2014 in equal installments.

**It is unsecured and due on demand.

Details of the subsidiary as at 31 March 2016 are as follows:

Subsidiary company	Principal activities	Cost of investment		Country of incorporation	Equity holding	
		2016	2015		2016	2015
		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

	2016 US\$	2015 US\$
Cash at banks	26,113	22,300
	<u>26,113</u>	<u>22,300</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

5. SUBSIDIARY

	2016 US\$	2015 US\$
Non-Current Assets		
Unquoted shares stated at cost	3,125,000	3,125,000
Loan to Subsidiary – Due after 12 months*	4,111,806	4,111,806
	7,236,806	7,236,806
 Current Assets		
Loan to subsidiary – Due within 12 months*	663,194	663,194
Interest receivable on loan**	1,198,250	1,007,289
	1,861,444	1,670,483
	9,098,250	8,907,289

*Loan to Subsidiary is unsecured, carries interest of 6% per annum (2015:6%) and is due within six years from June 2014 in equal installments.

**It is unsecured and due on demand.

Details of the subsidiary as at 31 March 2016 are as follows:

Subsidiary company	Principal activities	Cost of investment		Country of incorporation	Equity holding	
		2016	2015		2016	2015
		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

	2016 US\$	2015 US\$
Cash at banks	26,113	22,300
	26,113	22,300

CHEMINVEST PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7. AMOUNT DUE TO HOLDING COMPANY

	2016 US\$	2015 US\$
Current liabilities		
Interest payable (Net of non-trade payables)	1,363,076	1,115,830
Loan from holding co. - Due within 12 months*	3,798,252	1,266,084
	<u>5,161,328</u>	<u>2,381,914</u>
Non -Current liabilities		
Loan from holding co. - Due after 12 months*	3,798,252	6,330,420
	<u>3,798,252</u>	<u>6,330,420</u>
	<u>8,959,580</u>	<u>8,712,334</u>

**The loan is unsecured, carries interest of 4% per annum (2015:4%) and repayable within six years from April 2014 in equal installments.

8. OTHER PAYABLES

	2016 US\$	2015 US\$
Accruals	10,276	10,520
	<u>10,276</u>	<u>10,520</u>

9. SHARE CAPITAL

	2016		2015	
	No. of shares issued	US\$	No. of shares issued	US\$
Ordinary shares issued, subscribed and fully paid up				
Balance at beginning of year	405,000	403,497	405,000	403,497
Balance at end of year	<u>405,000</u>	<u>403,497</u>	<u>405,000</u>	<u>403,497</u>

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's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

10. FINANCIAL RISK MANAGEMENT, cont'd

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to 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\$ 5,973,250 (2015: US\$ 5,782,289).

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term 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. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

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

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10. FINANCIAL RISK MANAGEMENT, cont'd

Liquidity risk, cont'd

Financial assets

	<i>Less than 1 year</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>After 5 years</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$
At 31 March 2016					
Cash and cash equivalents	26,113	-	-	-	26,113
Amount due from subsidiary	1,198,250	-	-	-	1,198,250
Deposit	3,702	-	-	-	3,702
Loan to subsidiary	663,194	1,326,388	1,989,582	795,836	4,775,000
Total	1,891,259	1,326,388	1,989,582	795,836	6,003,065

	<i>Less than 1 year</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>After 5 years</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$
At 31 March 2015					
Cash and cash equivalents	22,300	-	-	-	22,300
Amount due from subsidiary	1,007,289	-	-	-	1,007,289
Deposit	3,633	-	-	-	3,633
Loan to subsidiary	663,194	1,326,388	1,989,582	795,836	4,775,000
Total	1,696,416	1,326,388	1,989,582	795,836	5,808,222

Financial Liabilities

	<i>Less than 1 year</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>After 5 years</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$
At 31 March 2016					
Due to holding company	1,363,076	-	-	-	1,363,076
Other payables	10,276	-	-	-	10,276
Loan from holding company	2,532,168	1,266,084	3,798,252	-	7,596,504
Total	2,639,436	1,266,084	3,798,252	-	8,969,856

	<i>Less than 1 year</i>	<i>Between 1 and 2 years</i>	<i>Between 2 and 5 years</i>	<i>After 5 years</i>	<i>Total</i>
	US\$	US\$	US\$	US\$	US\$
At 31 March 2015					
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
Total	2,392,434	1,266,084	3,798,252	1,266,084	8,722,854

10. FINANCIAL RISK MANAGEMENT, cont'd

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is not exposed to movements in market interest rates as it maintains its interest bearing asset and liability in fixed rate instrument.

(ii) *Foreign currency risk*

The Company's foreign exchange risk results mainly from cash flows from transaction denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The company is not exposed to movements in foreign currencies exchange rates. The company's foreign exchange transactions are insignificant.

11. FAIR VALUE

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.

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 that value.

Cash and cash equivalents, other receivables and other payables

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

12. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	2016 US\$	2015 US\$
Loans and receivables		
Loan to subsidiary	4,775,000	4,775,000
Amount due from subsidiary	1,198,250	1,007,289
Cash and cash equivalents	26,113	22,300
Deposits	3,702	3,633
	<u>6,003,065</u>	<u>5,808,222</u>
Financial liabilities at amortised cost		
Trade and other payables	10,276	10,522
Loans and borrowings	8,959,580	8,712,334
	<u>8,969,856</u>	<u>8,722,856</u>

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13. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

There has been no change in the capital risk policy of management since last year.

The board of directors monitors its capital based on net debt and total capital. Net debt 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. The management monitors capital risk based on gearing ratio.

The Company is not subject to any externally imposed capital requirements:-

	2016 US\$	2015 US\$
Net debt	8,943,743	8,700,554
Total equity	151,579	210,368
Total capital	9,095,322	8,910,922
Gearing ratio	98.33%	97.64%

14. 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.

	2016 US\$	2015 US\$
Interest income from Subsidiary	286,500	320,226
Interest paid to holding Company	303,860	303,860
Payments made on behalf of the immediate holding company	56,615	34,013

Outstanding balances at 31 March 2016, arising from loans receivables/payables within 12 months and after 12 months from balance sheet date are disclosed in Notes 5 & 7.

15. FINANCE COSTS

	2016 US\$	2015 US\$
Interest on loan	303,860	303,860
	<u>303,860</u>	<u>303,860</u>

16. CONTINGENT LIABILITY

Company has given corporate guarantee to a bank for and on behalf of its subsidiary amounting to RM 32,000,000 equivalent to US\$ 8,220,800 (2015: RM 32,000,000 equivalent to US\$ 8,633,948).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

17. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not applied the following new/revised FRS or interpretations that have been issued as of the balance sheet date but not yet effective

Description	Effective for annual periods beginning on or after
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
Amendments to FRS 16 & FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Improvements to FRSs (November 2014)	Date to be determined
Amendments to FRS 105: Non-current assets Held for sale and Discontinued Operations	1 Jan 2016
Amendments to FRS 107: Financial Instruments: Disclosures	1 Jan 2016
Amendments to FRS 19: Employee benefits	1 Jan 2016
FRS 109: Financial Instruments	1 Jan 2016
Amendments to FRS 1: Disclosure Initiative	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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(This does not form part of the audited financial statements)

DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2016

	2016 US\$	2015 US\$
Revenue		
Interest income on loan	286,500	320,226
Other Income		
Exchange gain	241	-
	<u>286,741</u>	<u>320,226</u>
Expenses		
Audit fee	2,813	2,800
Audit fee-underprovision in prior year	708	-
Bank charges	250	140
Director's fee	2,227	2,408
Exchange loss	-	1,977
Interest paid to holding company	303,860	303,860
Printing & stationery	181	16
Penalty	35	-
Professional fee	7,765	4,851
Registered office facilities	311	310
Subscription fees	229	-
	<u>318,380</u>	<u>316,362</u>
Net Profit/ (loss) for the year	<u>(31,639)</u>	<u>3,864</u>