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

FINANCIAL STATEMENTS- 31 MARCH 2018

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DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The directors are pleased to present their statement to the member together with the audited financial statements of Cheminvest Pte Ltd (the "Company") for the financial year ended 31 March 2018.

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 2018 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, having regard to letter of undertaking of the financial support from the holding company, 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:

ANANTHANARAYANAN JANAKIRAMAN
SHIV RAJ KAPUR

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose 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 had no interest in the shares or debentures of the Company or its related corporations, either at the beginning or end of financial year.

Share options

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

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

There were no unissued shares of the Company under 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 2018

Independent Auditor

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

The Board of Directors

ANANTHANARAYANAN JANKIRAMAN	**SHIV RAJ KAPUR**
DIRECTOR	**DIRECTOR**

Date 24 APR 2018

MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

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

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHEMINVEST PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cheminvest Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, the statement of profit or loss and other 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.

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 March 2018 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 2 - 3.

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.

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 unauthorized use or disposition; and transactions are properly authorized 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 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 skepticism 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.

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CHEMINVEST PTE. LTD.
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INDEPENDENT AUDITOR'S REPORT (CONT'D))
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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.

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.

MGING

MGI N RAJAN ASSOCIATES
Public Accountants and Chartered Accountants

Singapore
Date: 24 APR 2018

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CHEMINVEST PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018	2017
		US$	US$
ASSETS			
Non-current assets			
Investment in subsidiary	5	7,900,500	7,900,000
		7,900,500	7,900,000
Current assets			
Cash and cash equivalents	6	46,354	16,571
Amount due from subsidiary	5	670,408	1,428,937
Other receivables	7	138,864	10,766
		855,626	1,456,274
Total assets		8,756,126	9,356,274
LIABILITIES			
Current liabilities			
Amount due to erstwhile holding company	8	-	1,620,877
Amount due to holding company	8a	29,839	-
Loan from erstwhile holding company	8	-	5,064,336
Loan from holding company	8a	2,000,000	-
Other payables	9	14,847	12,083
Provision for taxation	4b	7,892	14,522
		2,052,578	6,711,818
Non-current liabilities			
Loan from erstwhile holding company	8	-	2,532,168
		-	2,532,168
Total liabilities		2,052,578	9,243,986
NET ASSETS		6,703,548	112,288
EQUITY			
Share capital	10	6,000,000	403,497
Amalgamation reserve	12	939,079	-
Accumulated (losses)		(235,531)	(291,209)
TOTAL EQUITY		6,703,548	112,288

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

CHEMINVEST PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 US$	2017 US$
Revenue			
Interest income		211,932	286,500
Other income		5,938	-
Other operating expenses		(21,088)	(11,125)
Finance costs	18	(114,854)	(303,860)
Profit / (Loss) before tax	4	81,928	(28,485)
Tax expense	4a	(26,250)	(10,806)
(Loss) after tax		55,678	(39,291)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		55,678	(39,291)

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

CHEMINVEST PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Share capital US$	Amalgamation reserve	Accumulated (losses) US$	Total US$
Balance as at 01 April 2016	403,497	-	(251,918)	151,579
Total comprehensive income for the year	-	-	(39,291)	(39,291)
Balance as at 31 March 2017 and 1 April 2017	403,497	-	(291,209)	112,288
Cancellation of existing shares on amlagamation	(403,497)	-	-	(403,497)
Effects of Amalgamation (Note 12)		939,079	-	939,079
Transfer of shares on amalgamation (Note 12)	500,000	-	-	500,000
Conversion of preference shares	5,500,000			5,500,000
Total comprehensive income for the year	-	-	55,678	55,678
Balance as at 31 March 2018	6,000,000	939,079	(235,531)	6,703,548

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

CHEMINVEST PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 US$	2017 US$
Cash flows from operating activities			
(Loss) before tax		81,928	(28,485)
Adjustments for :			
Withholding tax receivable		-	7,065
Operating (loss) before working capital changes		81,928	(21,420)
Change in working capital:			
(Increase) in other receivables		(143,550)	(14,129)
Decrease / (Increase) in amount due from Subsidiary		758,529	(230,687)
(Decrease) / Increase in amount due to holding company		(629,897)	257,801
(Decrease) / increase in other payables		(14,008)	1,807
Cash from / (used in) operations		53,002	(6,628)
Tax refund/(paid)	4b	(30,767)	(2,914)
Net cash flows from / (used in) operations		22,235	(9,542)
Cash flow from investing activities			
Cash inflow on amalgamation	12	7,548	-
Net cash used in investing activities		7,548	-
Net increase / (decrease) in cash and cash equivalents		29,783	(9,542)
Cash and cash equivalents at beginning of the year		16,571	26,113
Cash and cash equivalents at end of the year	6	46,354	16,571

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

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

1. GENERAL

Cheminvest Pte. Ltd. ('the Company") was incorporated as a limited private Company and domiciled in Singapore.

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.

With effect from 01 July 2017, the following companies (common control entities): Cheminvest Pte. Ltd. (200909241H) and Tarderiv International Pte. Ltd. (201025959N) were amalgamated to become Cheminvest Pte. Ltd. (200909241H), a private company limited by shares.

At the beginning of the financial year, the Company's immediate holding company was Tarderiv International Pte Ltd, a company incorporated in Singapore and its ultimate holding company was Thirumalai Chemicals Limited, a company incorporated in India. With effect from 01 July 2017, after amalgamation the immediate and ultimate holding company is Thirumalai Chemicals Pte. Ltd.

The financial statements of the Company for the financial year ended 31 March 2018 were authorized for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up 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 financial statements are presented in United States Dollar (US$), which is also the functional currency of the Company.

Going Concern

The Company's current liabilities exceeded its current assets by US$1,196,952 (2017:US$5,255,544). Notwithstanding these, the financial statements have been prepared on a going concern basis as it's holding company, Thirumalai chemicals Limited, has undertaken to provide continuing financial support to enable the Company to continue operating as going concern in the foreseeable future and to meet its liabilities as and when they fall due.

Basis of amalgamation

The Company's financial statements comprise the financial statements of the Company and its one of the subsidiary that had been amalgamated during the financial year. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.1 Basis of preparation (cont'd)

Basis of amalgamation (cont'd)

Amalgamation involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the amalgamated entities are reflected at their carrying amounts. Any differences between the consideration paid and the share capital and reserves of the amalgamated entity is reflected within equity as amalgamation reserve (note 12).

Adoption of new and revised standards

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 which are relevant to the Company and are effective for annual financial periods beginning on or after January 1, 2016.The adoption of these standards did not have material effect on the financial statements.

2.2 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2017, and have been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods Beginning on or after
Amendments to FRS 102: Classification and Measurement of Share-based payment Transactions	1 Jan 2018
109 Financial instruments	1 Jan 2018
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Improvements to FRS s (December 2016)	1 Jan 2018
INT FRS 122 Foreign Currency Trasactions and Advance consideration	1 Jan 2018
INT FRS 123 Uncertainlity over Income tax treatements	1 Jan 2019
Amendments to FRS 110 and FRS 28 sale or Contribution of Assets between an investor and its Associate or joint Venture	Date to be determined

Except for FRS 109, 115 and 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 115, 109 and 116 are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.2 Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers and introduces new contract cost guidance. 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 new revenue standard is effective for annual periods beginning on or after 1 January 2018.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. 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. The Company plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on 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 exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

2.3 Revenue recognition

Interest income is recognised using the effective interest method.

2.4 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.5 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.

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 other receivables, due from subsidiary 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.

2.6 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 transaction costs.

Subsequent measurement

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

Such financial liabilities comprise other payables and due to holding company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.6 Financial liabilities (cont'd)

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 laibilty 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.

2.7 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 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 recogised in profit or

2.8 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.9 Taxation

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

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

2.10 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.

2.11 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.

2.12 Redeemable convertible Preference Shares (RCPS)

The RCPS is non-cumulative, redeemable and optionally convertible preference shares. The holders of RCPS are entitled to preferred dividend that would be in the same rate and manner payable to ordinary shareholders. The RCPS is convertible either prior to filing of prospectus in connection with IPO or upon approval of atleast 50% of the RCPS holders, voting as a single class, or expiry of five years from the date of issue of RCPS whichever is earlier. Each RCPS would be converted to one ordinary share and the holder of the RCPS would not be required to pay any amounts towards such converted ordinary shares.

The holder of each RCPS shall be entitled to one vote or such other number of votes as applicable to the holders of equity shares.

RCPS is optionally convertible by the Holder at the rate of 1 ordinary share for 1 RCPS. The total proceeds from RCPS issued are allocated to the liability component and the equity component which are separately presented on the Balance sheet. The liability component is recognized initially at the fair value, determined using a market interest rate. It is subsequently carried at amortised cost using the effective interest method. The difference between the total proceeds and the liability component is allocated to the conversion option (equity component) which is presented in the Equity net of any deferred tax effect.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.13 Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The subsidiary results have not been consolidated as the Company is itself a wholly owned subsidiary of another company, Thirumalai Chemicals Limited, a company incorporated at Thirumlai House, Plot No.101-102, Road No 29, Sion (East), Mumbai -400 022, India, which publishes the consolidated financial statements.

2.14 Related Party

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 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).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Cont'd)

2.14 Borrowings

All loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within 12 months after the balance sheet date are presented as current borrowings even though the original term was for a period longer than 12 months and an arrangement to refinance, or reschedule payments, on a long term basis is completed after the balance sheet date and before the financial statements are authorized for issue.

Other borrowings due to be settled more than 12 months after the balance sheet date are presented as non- current borrowings in the balance sheet. Trade and other payables and interest bearing borrowings are stated at cost. Interest bearing borrowings are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit & loss account over the period of the borrowings on effective interest basis.

2.15 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.16 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.1 Judgements made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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 impairment of loan to subsidiary and amount due from subsidiary is based on management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Company's loan to subsidiary and amount due from subsidiary as at 31 March 2018 were US$ Nil (2017: US$4,775,000) and US$670,408 (2017: US$1,428,937).

Impairment of subsidiary

The Company records impairment charges on investment in subsidiary when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Company evaluates, among other factors, financial performance and the duration and extent to which the fair value of an investment is less than its cost.

The carrying amounts of the Company's investment in subsidiary as at 31 March 2018 were US$7,900,500 (2017: US$3,125,000).

4. (LOSS) BEFORE TAX

This includes the following:-

	2018 US$	2017 US$
Director's fees	2,785	2,134
Professional fees	13,526	5,398

4a. TAX EXPENSE

Major components of tax expense:

	2018 US$	2017 US$
Current tax		
Current year provision	12,168	7,892
(Over) provision of tax in prior year	(5,070)	(1,961)
Foreign tax paid	19,152	4,875
Tax expenses recognized in profit or loss	26,250	10,806

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:-

	2018 US$	2017 US$
Profit / (Loss) before taxation	81,928	(28,485)
Tax at statutory rate of 17% (2017:17%)	13,928	(4,842)
Tax effect on non-deductibles	17,215	25,181
Tax effect on tax exemptions	(15,896)	(10,474)
Rebate @ 20% (2017:40%)	(3,079)	(1,973)
Foreign tax paid	19,152	4,875
(over) provision for tax of prior years	(5,070)	(1,961)
Tax expenses recognized in profit or loss	26,250	10,806

b. Movement in taxation

	2018 US$	2017 US$
Beginning of financial year	14,522	-
Tax payable on amalgamation	17,039	-
Tax paid	(18,599)	6,630
Under/(Over)provision of tax in prior year	(5,070)	(1,961)
Refund of tax	-	1,961
Current tax provision	12,168	7,892
Double taxation relief of foreign tax paid	(12,168)	-
End of financial year	7,892	14,522

5. INVESTMENT IN SUBSIDIARY

	2018	2017
	US$	US$
Non-Current Assets		
Unquoted shares stated at cost	7,900,500	3,125,000
**Loan to Subsidiary – Due after 12 months	-	4,775,000
	7,900,500	7,900,000
Current Assets		
*Loan to subsidiary – Due within 12 months	650,000	-
Interest receivable on loan	20,408	1,428,937
	670,408	1,428,937

During the financial year, the Company further invested in 2,284,689 newly issued ordinary shares of the subsidiary by way of converting its non-current loan amount of US$4,775,000 to additional investment in subsidiary.

**The loan was repaybale within a period of 5 years from 1 April 2019 in equal quarterly instalments. Loan was unsecured and carries an interest of 6% per annum.

*The loan to subsidiary is unsecured, interest free and is repayable on demand.

Details of the subsidiary as at 31 March 2018 and 2017 are as follows:

Name of Subsidiary	Principal activities	Cost of investment		Country of incorporation	Equity holding	
		2018	2017		2018	2017
		US$	US$		%	%
Optimistic Organic Sdn Bhd	Manufacturing & trading of Petro-chemical products	7,900,000	3,125,000	Malaysia	84.21	100
Lapiz Europe Limited	Documentation services	500	-	UK	100	-

6. CASH AND CASH EQUIVALENTS

	2018	2017
	US$	US$
Cash at banks	46,354	16,571
	46,354	16,571

7. OTHER RECEIVABLES

	2018	2017
	US$	US$
Deposit	7,401	3,701
Withholding tax receivable	131,463	7,065
	138,864	10,766

8. AMOUNT DUE TO ERSTWHILE HOLDING COMPANY

	2018 US$	2017 US$
Current liabilities		
Interest payable (Net of non-trade payables)	-	1,620,877
*Loan from holding company - Due within 12 months	-	5,064,336
	-	6,685,213
Non -Current liabilities		
*Loan from holding company - Due after 12 months	-	2,532,168
	-	2,532,168

* The loan is unsecured, carries interest of Nil (2017: 4% per annum) and repayable within six years from April 2014 in equal instalment. The erstwhile holding company had mutually agreed to give continue financial support and the loan is not subject to immediate recall. However due to the amalgamation, the inter-company balances has been eliminated.

8a. AMOUNT DUE TO HOLDING COMPANY

	2018 US$	2017 US$
Current liabilities		
Interest payable (Net of non-trade payables)	29,839	-
Loan from holding co. - Due within 12 months	2,000,000	-
	2,029,839	-

*The loan is unsecured, carries interest at Libor + 6% (2015: Libor +6%) per annum and repayable in equal instalments within 3 years, the first instalment falling due on 30 June 2014 and the last instalment falling due on 31 March 2017 as per the contractual agreement between the companies. The holding Company has mutually agreed to give continued financial support and the loan is not subject to immediate recall.

9. OTHER PAYABLES

	2018 US$	2017 US$
Accruals	8,917	12,083
Withholding tax payable	5,930	-
	14,847	12,083

10. SHARE CAPITAL

	2018		2017	
	No. of shares issued	US$	No. of shares issued	US$
Ordinary shares issued and fully paid up				
Balance at beginning of year	405,000	403,497	405,000	403,497
Cancellation of shares due to amalgamation (Note 12)	(405,000)	(403,497)	-	-
Shares issued for amalgamation (Note 12)	500,000	500,000	-	-
Conversion of Preference shares	5,500,000	5,500,000	-	-
Balance at end of year	**6,000,000**	**6,000,000**	405,000	403,497

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

11. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (RCPS)

The Non-cumulative Non-Convertible redeemable preference shares were transferred from Amalgamating company (Note 12). On 1 July 2017, after Amalgamation the Company changed the constitution to redeemable convertible preference shares. RCPS is denominated in United States Dollars with a nominal value of US$ 5,500,000. The RCPS are due for repayment after five years from the issue date at their subscription price plus an amount equal to 10% of the subscription price per RCPS share compounded annually from the date of issue of the redeemable convertible Preference shares up to and including the date of actual receipt by RCPS holder of the redemption price or conversion in to ordinary shares at the option of the holder with subscription price as the intial conversion price at the ratio of 1 ordinary share for each RCPS.

The RCPS holders shall be entitled to a preferred dividends at the rate 10% in preference to any dividends payable to the holders of the ordinary shares. The dividend right to the RCPS holders shall not be cumulative, and shall be applicable only in the fiscal years that the Company has incurred profits.

On 30 March 2018, The Company upon approval of RCPS holders, converted the Preference shares to Ordinary shares at USD 1 per share. The interest for the 9 months period has been waived off on conversion.

12. AMALGAMATION

On 1 July 2017, The Tarderiv International Pte. Ltd. (Previously immediate holding company) and the Company were amalgamated and become one company as Cheminvest Pte. Ltd.

The amalgamation was recorded using the pooling of interest for common control combinations. The assets and liabilities of the subsidiary were recorded in the financial statements of the Company at their carrying values on the date of amalgamation.

Details of carrying value of assets and liabilities of the Tarderiv international Pte. Ltd. were as follows:

	Carrying value recognized on amalgamation
Assets	
Cash and cash equivalents	7,548
Investments	500
Interest receivable from subsidiary	1,946,726
Deposit for nominee director services	3,701
Loan to subsidiary (the Company) – non-current	2,532,168
Loan to subsidiary (the Company) - current	5,064,336
Investment in subsidiary	403,496
Total assets	**9,958,475**
Liabilities	
Amount due to subsidiary (the Company)	249,884
Non-cumulative Non-convertible redeemable preference shares	5,500,000
Accruals	11,296
Interest payable to ultimate holding company	659,736
Loan form ultimate holding company	2,000,000
Provision for taxation	17,039
Withholding tax payable	5,476
Intercompany reserve during the year	75,965
Total liabilities	**8,519,396**
Identifiable net assets at carrying value	**1,439,079**
Issue of new shares	**(500,000)**
Net reserves created after amalgamation	**939,079**

13. 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.

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 the amount due from its subsidiary amounting to US$ 670,408 (2017: US$ 6,203,937).

13. FINANCIAL RISK MANAGEMENT (cont'd)

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.

Financial assets

At 31 March 2018	***Less than 1 year***	***Between 1 and 2 years***	***Between 2 and 5 years***	***After 5 years***	***Total***
	US$	**US$**	**US$**	**US$**	**US$**
Cash and cash equivalents	**46,354**	-	-	-	**46,354**
Amount due from subsidiary	**670,408**	-	-	-	**670,408**
Other receivables	**138,864**	-	-	-	**138,864**
Total	**855,626**	-	-	-	**855,626**

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	US$	US$	US$	US$	US$
Cash and cash equivalents	16,571	-	-	-	16,571
Amount due from subsidiary	1,428,937	-	-	-	1,428,937
Other receivables	10,766	-	-	-	10,766
Loan to subsidiary	-	4,775,000	-	-	4,775,000
Total	1,456,274	4,775,000	-	-	6,231,274

13. FINANCIAL RISK MANAGEMENT, (Cont'd)

Liquidity risk, cont'd

Financial Liabilities

At 31 March 2018	*Less than 1 year*	*Between 1 and 2 years*	*Between 2 and 5 years*	*After 5 years*	*Total*
	US$	**US$**	**US$**	**US$**	**US$**
Due to holding company	**29,839**	-	-	-	**29,839**
Other payables	**14,847**	-	-	-	**14,847**
Loan from holding company	**2,000,000**	-	-	-	**2,000,000**
Total	**2,044,686**	-	-	-	**2,044,686**

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	US$	US$	US$	US$	US$
Due to holding company	**1,620,877**	-	-	-	**1,620,877**
Other payables	**12,083**	-	-	-	**12,083**
Loan from holding company	**5,064,336**	**2,532,168**	-	-	**7,596,504**
Total	**6,697,296**	**2,532,168**	-	-	**9,229,464**

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's exposure to interest rate risk arises primarily due to loan from holding company (variable interest rate).

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 50 (2017: 50) basis points higher/lower with all other variables held constant, the Company's profit before tax would have been US$ 83,000 (2017: US$ Nil) lower/ higher, arising mainly as a result of floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

13. FINANCIAL RISK MANAGEMENT, (Cont'd)

(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 significant movements in foreign currencies exchange rates. The Company's foreign exchange transactions and balances are insignificant.

14. 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.

Loans from / to related parties

The carrying amounts of these balances approximate their fair values as they are subject to interest rates which is close to market rate for similar arrangement with financial instruments.

15. 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:

	2018 US$	2017 US$
Loans and receivables		
Loan to subsidiary	-	4,775,000
Amount due from subsidiary	670,408	1,428,937
Cash and cash equivalents	46,354	16,571
Deposits	7,401	3,701
	724,163	6,224,209
Financial liabilities at amortised cost		
Other payables	8,918	12,083
Loan from holding company	2,029,839	9,217,381
	2,038,757	9,229,464

16. 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:-

	2018	2017
	US$	US$
Net debt	1,998,332	9,212,893
Total equity	6,703,548	112,288
Total capital	8,701,880	9,325,181
Gearing ratio	.23 times	.99 times

17. 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.

	2018	2017
	US$	US$
Interest income from subsidiary	211,932	286,500
Interest paid to holding company	114,854	303,860
Payments made on behalf of the immediate holding company	-	46,059

Outstanding balances at 31 March 2018, arising from loans receivables/payables within 12 months and after 12 months from the reporting date are disclosed in Notes 5, 8and 8a.

18. FINANCE COSTS

	2018	2017
	US$	US$
Interest paid to holding company	114,854	303,860
	114,854	303,860

19. CONTINGENT LIABILITY

The Company has given corporate guarantee to a bank for and on behalf of its subsidiary amounting to RM 32,000,000 equivalent to US$ 8,272,000 (2017: RM 32,000,000 equivalent to US$ 8,220,800).

20. COMPARATIVE FIGURES

During the Financial year, on 1 July 2017 the Company Cheminvest Pte. Ltd. (200909241H) and Tarderiv International Pte. Ltd. (201025959N) were amalgamated to become Cheminvest Pte. Ltd. (200909241H), a private company limited by shares. Accordingly the audited comparative figures presented in the financial statements are not entirely comparable.

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CHEMINVEST PTE. LTD.
(Incorporated in Singapore)

(This does not form part of the audited financial statements)

DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	2018 US$	2017 US$
Revenue		
Interest income on loan	211,932	286,500
Other Income		
Provision written back	3,701	-
Exchange gain	2,237	-
	217,870	286,500
Expenses		
Audit fees	2,890	2,703
Audit fee-underprovision in prior year	407	197
Bank charges	302	209
Director's fees	2,785	2,134
Interest paid to holding company	114,854	303,860
Printing & stationery	513	185
Filing fees	385	-
Professional fees	13,526	5,398
Registered office facilities	280	299
	135,942	314,985
(Loss) for the year	81,928	(28,485)