CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)
Registration No. 200909241H

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 2019.

OPINION OF THE DIRECTORS

In our opinion,

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 2019 and the financial performance, 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 the financial support from the immediate and ultimate 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:

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 objects 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' INTERESTS 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 interests in the shares or debentures of the Company and 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 option at the end of the financial year.

INDEPENDENT AUDITOR

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

The Board of Directors

Ananthanarayanan Janakiraman
Director

Shiv Raj Kapur
Director

Date: 29 APR 2019

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 2019, and 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 2019 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.

Emphasis of Matter

We refer to the note 2.1 to the financial statements, the Company is exempted from presenting consolidated financial statements. The Company is a parent company, satisfies all the conditions of para 4a of FRS 110 Consolidated Financial Statements and elects not to present consolidated financial statements.

Other Information

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

INDEPENDENT AUDITOR'S REPORT (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Responsibilities of Management and Directors for the Financial Statements

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

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

The director's 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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G. Natarajan, P.S. Somasekharan, D. Govindaraj

MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

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.

MGI N Rajan Associates

MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

Date: 29 April 2019

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-current assets			
Investment in subsidiaries	8	**7,900,500**	7,900,500
Total non-current assets		**7,900,500**	7,900,500
Current assets			
Other receivables	9	**19,775**	138,864
Due from a subsidiary	10	**500,000**	670,408
Cash and cash equivalents	11	**18,448**	46,354
Total current assets		**538,223**	855,626
TOTAL ASSETS		**8,438,723**	8,756,126
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**6,000,000**	6,000,000
Amalgamation reserve	13	**939,079**	939,079
Accumulated (losses)		**(550,474)**	(235,531)
Equity attributable to owners of the company		**6,388,605**	6,703,548
Current liabilities			
Due to holding company	14	**2,036,811**	2,029,839
Other payables	15	**13,307**	14,847
Provision for taxation	7	**-**	7,892
Total current liabilities		**2,050,118**	2,052,578
Total liabilities		**2,050,118**	2,052,578
TOTAL EQUITY AND LIABILITIES		**8,438,723**	8,756,126

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 2019

	Note	2019 US$	2018 US$
Revenue	4	-	211,932
Other income	4	190	5,938
Other operating expenses		(13,976)	(21,088)
Finance cost	6	(172,808)	(114,854)
(Loss) /Profit before tax	5	(186,594)	81,928
Income tax expense	7	(128,349)	(26,250)
(Loss)/Profit for the year after tax		(314,943)	55,678
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(314,943)	55,678

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 2019

2019	Share capital US$	Amalgamation reserve US$	Accumulated (losses) US$	Total US$
Balance as at 1 April 2018	**6,000,000**	**939,079**	**(235,531)**	**6,703,548**
Total comprehensive income for the year	-	-	**(314,943)**	**(314,943)**
Balance as at 31 March 2019	**6,000,000**	**939,079**	**(550,474)**	**6,388,605**
2018				
Balance as at 1 April 2017	403,497	-	(291,209)	112,288
Cancellation of existing shares on amalgamation	(403,497)	-	-	(403,497)
Effects of amalgamation (Note 13)	-	939,079	-	939,079
Transfer of shares on amalgamation (Note 13)	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 the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 US$	2018 US$
Cash flows from operating activities			
(Loss)/ profit before tax		**(186,594)**	81,928
Adjustments for:			
Withholding tax receivable		**(133,504)**	-
Finance cost		**172,808**	114,854
Operating (loss)/profit before working capital changes		**(147,290)**	196,782
Change in working capital:			
Decrease/(Increase) in other receivables		**131,463**	(143,550)
(Decrease) in amount due to holding company		**(36,335)**	(629,897)
(Decrease) in other payables		**(1,540)**	(14,008)
Cash (used in)/from operations		**(53,702)**	(590,673)
Tax paid	7	**(15,111)**	(30,767)
Finance cost paid		**(129,501)**	(114,854)
Net cash flows (used in)/generated from operating activities		**(198,314)**	(736,294)
Cash flow from investing activities			
Cash inflow on amalgamation	13	**-**	7,548
Repayment of loan paid to a subsidiary		**170,408**	758,529
Net cash flows from investing activities		**170,408**	766,077
Net (decrease)/increase in cash and cash equivalents		**(27,906)**	29,783
Cash and cash equivalents at beginning of the year		**46,354**	16,571
Cash and cash equivalents at end of the year	11	**18,448**	46,354

(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. Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at #10-09, Sim Lim Tower, 10 Jalan Besar, Singapore 208787.

The principal activities of the Company are that of Investment holdings. The principal activities of the subsidiaries are disclosed in Note 8 to the financial stataments.

The immediate and ultimate holding company is Thirumalai Chemicals Limited, which is incorporated in India. The address of the immediate and ultimate holding company is Thirumalai House, Plot No. 101-102, Road No. 29, Sion (East), Mumbai - 400 022, India.

The financial statements of the Company for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been drawn in accordance with Financial Reporting Standards (FRSs) in Singapore. The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US$), which is the Company's functional currency.

The consolidated financial statements have not been presented at Company level as the holding Company, Thirumalai Chemicals Limited prepares the group consolidated financial statements which is available for public use (Note 2.16).

Going Concern

The Company's current liabilities exceeded its current assets by US$1,511,895 (2018: US$1,196,952). 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 comparative financial statements comprise the financial statements of the Company and its one of the subsidiary that had been amalgamated during the previous financial year. Consistent accounting policies were applied to like transactions and events in similar circumstances.

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

Amalgamation involving entities under common control were 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 13).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 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 the annual financial periods beginning on or after 1 April 2018 including the Amendments to FRS 7 Disclosure Initiative. The adoption of these standards including FRS 109 Financial instruments and FRS 115 Revenue from contracts with customers described below did not have material effect on the financial performance or position of the Company.

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

There was no effect of adopting FRS 109 as at 1 April 2018 except for classification.

The nature of the adjustments are described below:

(a) Classification and measurement

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under FRS 39. The following are the changes in the classification and measurement of the Company's financial assets:

Other receivables and loan to the subsidiary company classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of new and revised standards (cont'd)

FRS 109 Financial Instruments (cont'd)

(a) Classification and measurement

In summary, upon the adoption of FRS 109, the Company had the following required or elected reclassifications as at 1 April 2018:

		FRS 109 measurement category		
		FVPL	FVOCI	Amortised cost
FRS 39 measurement category	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Loans and receivables				
Other receivables	7,401	-	-	7,401
Loan to subsidiary	670,408	-	-	670,408
		-	-	677,809

(b) Impairment

The adoption of FRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of FRS 109, no additional impairment was required to be recognised by the Company as at 1 January 2018.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
FRS 116 *Leases*	1 January 2019
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 109 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to FRS 28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to FRSs	1 January 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

The directors do not expect that the adoption of these standards above will have no material impact on the financial statements in the year of initial application.

2.4 Currency translation

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 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 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 flows 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Impairment of non-financial assets (cont'd)

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.

2.6 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process

Such financial assets comprise of other receivables, due from subsidiary and cash and cash equivalents.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

Derecognition

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

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.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

Financial assets

Initial recognition and measurement

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Financial instruments (cont'd)

Financial assets (cont'd)

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 amortisation 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 derecognised 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 recognised in other comprehensive income is recognised in profit or loss.

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.

De-recognition

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Financial guarantee

The Company has issued corporate guarantee to a bank for bank borrowings of its subsidiary. This guarantees is financial guarantee as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the borrowings.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Prior to 1 January 2018, financial guarantee was subsequently measured at the higher of (a) and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

2.8 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Impairment of financial assets (cont'd)

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 recognised in profit or loss.

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

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 loss.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and are subject to an insignificant risk of changes in value.

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 the obligation can be estimated reliably.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Revenue

Interest income is recognised using the effective interest method.

2.12 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.

2.13 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation 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.

Deferred tax

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.14 Share capital

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

2.15 Redeemable convertible preference shares (RCPS)

The RCPS is non-cumulative, redeemable and optionally convertible preference shares. The holders of RCPS are entitled to preference 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 at least 50% of the RCPS, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Redeemable convertible preference shares (RCPS) - (cont'd)

RCPS is optionally convertible by the holder at the rate of 1 ordinary share for 1 RCPS. The total proceeds from RCPS issued were allocated to the liability component and the equity component which are separately presented on the Balance sheet. The liability component is recognised initially at 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.

2.16 Subsidiaries

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 which is available for public use.

2.17 Related parties

A related party is defined as follows:

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

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

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

(i) The entity and the Group 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 Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(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).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Related parties - (cont'd)

(b) - (cont'd)

(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.

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.

3.1 Judgments 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 financial assets recognised at amortised costs

The impairment provisions for financial assets recognised at amortised costs are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. For details of the key assumptions and inputs used, see Note 18 to the financial statements.

The carrying amount of Company's other receivables and amounts due from a subsidiary as at 31 March 2019 were US$7,401 and US$500,000 (2018: US$7,401 and US$670,408) respectively.

Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment loss, if any. In determining if there is any impairment, the management evaluates the market and economic environment in which the entities operate, the economic performance, the forecasted results, the net assets values, and the operating cash flow of the entity.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Investment in subsidiaries (cont'd)

The evaluation of these factors involves a significant degree of management judgement. The carrying amount of the Company's investment in subsidiaries as at 31 March 2019 was US$7,900,500 (2018: US$7,900,500).

4. REVENUES AND OTHER INCOME

	2019 US$	2018 US$
Revenues		
Interest income on loan to a subsidiary	-	211,932

The above interest was earned from a loan to a subsidiary. The loan was unsecured and carried an interest of 6% per annum. During the previous financial year, the loan was converted to additional investment of subsidiary by way of issued ordinary shares of the subsidiary.

	2019 US$	2018 US$
Other income		
Exchange difference	190	2,237
Provision written back	-	3,701
	190	5,938

5. (LOSS)/PROFIT BEFORE TAX

(Loss)/proft before tax has been arrived after charging:

	2019 US$	2018 US$
Director's fees	2,340	2,785
Professional fees	7,298	13,526

6. FINANCE COST

	2019 US$	2018 US$
Interest on loan from holding company (Note 14)	172,808	114,854

7. TAXATION

	2019 US$	2018 US$
Current year's income tax expense	-	12,168
Foreign tax expense	133,504	19,152
(Over) provision in previous years income tax	(5,155)	(5,070)
Tax expense reported in the profit or loss	128,349	26,250

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2019 and 2018 were as follows:

	2019 US$	2018 US$
(Loss)/Profit before tax	(186,594)	81,928
Tax thereon @17% (2018: 17%)	(31,721)	13,928
Net effect of:		
Non-deductible expenses	27,376	17,215
Income not subject to tax	4,345	-
Tax exemptions	-	(15,896)
Tax rebates	-	(3,079)
Foreign tax expense	133,504	19,152
Over provision in previous years	(5,155)	(5,070)
Tax expense reported in the profit or loss	128,349	26,250

Movements in provision for taxation

	2019 US$	2018 US$
Balance brought forward	7,892	14,522
Tax payable on amalgamation	-	17,039
Tax paid	(15,111)	(18,599)
Over provision in previous years	(5,155)	(5,070)
Current tax expense	-	12,168
Double taxation relief of foreign tax paid	-	(12,168)
Transfer to other receivables	12,374	-
Balance carried forward	-	7,892

8. INVESTMENT IN SUBSIDIARIES

	2019 US$	2018 US$
Equity investment at cost	7,900,500	7,900,500

8. INVESTMENT IN SUBSIDIARIES (cont'd)

Particulars of the shareholdings are as follows:

Name	Country of incorporation	% held	Cost of investment	Nature of business
		2019 and 2018	2019 and 2018	
Optimistic Organic Sdn Bhd	Malaysia	84.21%	US$7,900,000	Manufacturing and trading of Petro-chemical products
Lapiz Europe Limited	UK	100%	US$500	Documentation services

9. OTHER RECEIVABLES

	2019 US$	2018 US$
Deposits	**7,401**	7,401
Income tax recoverable	**12,374**	-
Foreign tax receivable	**-**	131,463
	19,775	138,864

Other receivables are unsecured and non-interest bearing. The amount due from related company is interest-free, unsecured and is repayable on demand.

Other receivables are denominated at the following currencies:

	2019 US$	2018 US$
Singapore dollars	**19,775**	7,401
Malaysian Ringgit	**-**	131,463
	19,775	138,864

10. DUE FROM A SUBSIDIARY COMPANY

	2019 US$	2018 US$
Loan to a subsidiary	**500,000**	650,000
Interest receivable on loan (Note 4)	**-**	20,408
	500,000	670,408

Loan to subsidiary is unsecured, interest-free and is repayable on demand.

11. CASH AND CASH EQUIVALENTS

	2019 US$	2018 US$
Cash at banks	**18,448**	46,354

11. CASH AND CASH EQUIVALENTS (cont'd)

Cash and cash equivalents are denominated at the following currencies:

	2019 US$	2018 US$
Singapore dollars	**6,102**	15,249
United States dollars	**12,346**	31,105
	18,448	46,354

12. SHARE CAPITAL

	2019 No. of ordinary shares	**2019 US$**	2018 No. of ordinary shares	2018 US$
Issued and fully paid up				
Balance at beginning of the financial year	6,000,000	6,000,000	405,000	403,497
Cancellation of shares due to amalgamation (Note 13)	-	-	(405,000)	(403,497)
Shares issued for amalgamation (Note 13)	-	-	500,000	500,000
Conversion of preference shares	-	-	5,500,000	5,500,000
	6,000,000	**6,000,000**	6,000,000	6,000,000

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.

The ordinary share capital issued at the date of incorporation is denominated in Singapore dollars and converted to United States dollars at historical rate.

Redeemable Convertible Preference Shares (RCPS)

The Non-cumulative non-convertible preference shares were transferred from amalgamating company (Note 13). 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 initial conversion price at the ratio of 1 ordinary share for each RCPS.

The RCPS holders shall be entitled to 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 US$1 per share. The interest for the 9 months period has been waived off on conversion.

13. AMALGAMATION RESERVE

On 1 July 2017, Tarderiv International Pte. Ltd., 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:

Assets	**Carrying value recognised on amalgamation**
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 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**

14. DUE TO HOLDING COMPANY

	2019 **US$**	2018 US$
Loan from holding company	**2,000,000**	2,000,000
Interest on loan (net of non-trade payables)	**36,811**	29,839
	2,036,811	2,029,839

14. DUE TO HOLDING COMPANY (cont'd)

Amount due to holding company is unsecured, carries interest of Libor + 6% (2018: Libor + 6%) per annum and is repayable on demand. The holding company has agreed to give continued financial support and the loan is not subject to immediate recall.

The carrying value is denominated in United States Dollars.

15. OTHER PAYABLES

	2019 US$	2018 US$
Accruals	**6,811**	8,917
Withholding taxes payables	**6,496**	5,930
	13,307	14,847

Sundry payables are unsecured, non-interest bearing and is repayable on demand.

At the end of reporting period, the Company does not expect any significant amount payable to the bank in respect of financial guarantee issued for bank facilities of its subsidiary (Note 21).

16. RELATED PARTY TRANSACTIONS

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

	2019 US$	2018 US$
Interest income from loan to a subsidiary	**-**	211,932
Interest paid to holding company's loan (Note 14)	**172,808**	114,854
Loan to a subsidiary	**-**	650,000
Repayment of loan to a subsidiary	**150,000**	-

17. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and liabilities not measured at fair 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.

Loan from/to related parties

The carrying amounts of these balances approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

18. 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 directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current year 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's exposure to credit risk arises primarily from other receivables and loan to the subsidiary. For other financial asset, cash at bank, the Company minimises credit risk by exclusively dealing with fully licensed banks in Singapore.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past - due amounts	12- month ECL
II	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit -impaired
III	Amount is > 60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL - credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

18. FINANCIAL RISK MANAGEMENT (cont'd)

Credit risk (cont'd)

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			US$	US$	US$	US$
31 March 2019						
Other receivables	9	I	12-month ECL	7,401	-	7,401
Due from subsidiary	10	I	12-month ECL	500,000	-	500,000
					-	
1 April 2018						
Other receivables	9	I	12-month ECL	7,401	-	7,401
Due from subsidiary	10	I	12-month ECL	670,408	-	670,408
					-	

The Company's credit risk is primarily attributable to the amounts due from subsidiary amounting to US$500,000 (2018: US$670,408).

Other receivables and due from subsidiary

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Financial guarantee

The Company has issued financial guarantee to bank for borrowings of its subsidiary. This guarantee is subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from this guarantee.

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.

All receivables and payables are due either within one year or payable on demand.

18. 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.

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 from their loan from holding company.

The Company does not expect any significant effect on the Company's (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 (2018: 50) basis points higher/lower with all other variables held constant, the Company's profit before tax would have been US$ 8,300 (2018: US$8,300) 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.

Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions 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.

19. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2019 US$	2018 US$
Financial assets measured at amortised cost		
Other receivables	**7,401**	7,401
Due from subsidiary	**500,000**	670,408
Cash and cash equivalents	**18,448**	46,354
Total financial assets measured at amortised cost	**525,849**	724,163
Financial liabilities measured at amortised cost		
Due to holding company	**2,036,811**	2,029,839
Other payables	**6,811**	8,917
Total financial liabilities measured at amortised cost	**2,043,622**	2,038,756

20. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The board of directors monitors its capital based on net debt and total capital. Net debt calculated as other payables plus due to holding company less cash and cash equivalents. Total capital is calculated as equity plus net debt. The management monitors capital management based on gearing ratio. Gearing ratio is calculated as net debt divided by total capital.

	2019	2018
	US$	US$
Net debt	**2,031,670**	1,998,332
Total equity	**6,388,605**	6,703,548
Total capital	**8,420,275**	8,701,880
Gearing ratio	**0.24 times**	0.23 times

The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2019 and 31 March 2018.

21. CONTINGENT LIABILITY

The Company has given corporate guarantee to a bank for and on behalf of its subsidiary's banking facilities amounting to RM 32,000,000 equivalent to US$7,843,230 (2018: RM 32,000,000 equivalent to US$8,272,000).

At the end of the reporting period, no loans and/or borrowing were outstanding or payable to the bank in respect of the above banking facilities by the subsidiary corporation.

22. COMPARATIVES

Certain corresponding figures for the year ended 31 March 2018 in the statement of cash flows has been reclassified in order to confirm to the presentation for the current year. These changes have been made to improve the quality of information presented. Such reclassification does not affect previously reported profit, total comprehensive income, total equity or any other balance sheet amounts.

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

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

DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 US$	2018 US$
Revenue:		
Interest income on loan	-	211,932
Other income:		
Exchange difference	190	2,237
Provision written back	-	3,701
	190	5,938
Other operating expenses:		
Audit fees	2,807	2,890
Audit fee - under provision in prior year	565	407
Bank charges	302	302
Director's fee	2,340	2,785
Printing and stationery	183	513
Filing fees	156	385
Professional fees	7,298	13,526
Registered office facilities	325	280
	13,976	21,088
Finance cost:		
Interest paid to holding company	172,808	114,854
	172,808	114,854
(Loss)/profit for the year	(186,594)	81,928