

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

ACCOUNTS FOR THE PERIOD FROM 13TH SEPTEMBER 2017
(DATE OF INCORPORATION) TO 31ST MARCH 2018

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R. VENKATARAMANI & CO.,
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS
SINGAPORE

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

DIRECTORS' STATEMENT
FOR THE FINANCIAL PERIOD FROM 13TH SEPTEMBER 2017 TO 31ST MARCH 2018

The directors present their statement to the members together with the audited financial statements of the Company for the financial period from 13th September 2017 (date of incorporation) till 31st March 2018.

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 31st March 2018, and the financial performance of the business, changes in equity and cash flows of the Company for the period covered by the financial statements; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Sounder Kannan – appointed on 13.9.2017
Eng Bak Chim – appointed on 13.9.2017

Arrangements to enable directors to acquire shares or debentures

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

Directors' interest in shares and 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 have no interest in the shares or debentures of the Company or its related corporations, except as stated below:

Naga Far East Private Limited
Directors' Statement, cont'd
For the financial period from 13th September 2017 to 31st March 2018

Name of the Director	Direct interest		Deemed interest	
	No. of shares		No. of shares	
	From date of incorporation	At the end of the Period	From date of incorporation	At the end of the period
Company Ordinary shares				
Sounder Kannan	-	-	601	601
Holding Company				
Naga Limited (India)				
Sounder Kannan	855,655	855,655	347	347

Options to take up unissued shares

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

Options exercised

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

Unissued shares under option

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

Auditor

M/s. R Venkataramani & Co. has expressed their willingness to accept re-appointment as auditor.

On behalf of the board,

Sounder Kannan
Director

Eng Bak Chinn
Director

Singapore

Dated: **27 JUL 2018**



Naga Far East Private Limited
Independent Auditor's Report
For the financial period from 13th September 2017 to 31st March 2018

Independent Auditor's Report to the members of Naga Far East Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited financial statements of **Naga Far East Private Limited** (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 period from 13 September 2017 to 31 March 2018 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 then 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 to 3).

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



Naga Far East Private Limited
Independent Auditor's Report
For the financial period from 13th September 2017 to 31st March 2018

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.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole free material misstatement are, 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 scepticism throughout the audit. We also:

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



Naga Far East Private Limited

Independent Auditor's Report

For the financial period from 13th September 2017 to 31st March 2018

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

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

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

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.

SINGAPORE

DATED: 27 JUL 2018

R. VENKATARAMANI & CO.,
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS
SINGAPORE

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2018

	<u>Notes</u>	<u>2018</u> <u>US\$</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and cash equivalents	6	75,323
		<u>75,323</u>
Total Assets		<u>75,323</u>
<u>Equity and Liabilities</u>		
<u>Capital and Reserves</u>		
Share capital	7	75,758
Accumulated profits/(losses)		(4,044)
		<u>71,714</u>
<u>Current Liabilities</u>		
Trade & other payables	8	3,609
Corporate tax	5	-
		<u>3,609</u>
Total Equity and Liabilities		<u>75,323</u>

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

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE PERIOD FROM 13TH SEPTEMBER 2017 TO 31ST MARCH 2018

	<u>Notes</u>	<u>2018</u> <u>US\$</u>
Revenue	3	-
<u>Expenses</u>		
Other operating expenses	4	(4,044)
Profit before tax		(4,044)
Income Tax	5	-
Profit after tax		(4,044)
Other comprehensive income		-
Total comprehensive income for the year after tax		(4,044)

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

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

STATEMENT OF CHANGES IN EQUITY FOR
THE PERIOD FROM 13TH SEPTEMBER 2017 TO 31ST MARCH 2018

	Share Capital US\$	Accumulated Profits/(loss) US\$	Total US\$
On the date of incorporation 13.09.2017	75,758	-	75,758
Add: Total comprehensive income after taxation for the period ended 31 st March 2018	-	(4,044)	(4,044)
Balance as on 31st March 2018	75,758	(4,044)	71,714

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

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 13TH SEPTEMBER 2017
TO 31ST MARCH 2018

	<u>Notes</u>	<u>2018</u> US\$
Cash Flows from Operating Activities		
Net loss before taxation		(4,044)
		<u>(4,044)</u>
Increase in trade & other payables		3,609
Net cash from operating activities		<u>(435)</u>
Cash Flows from Investing Activities		-
Net cash used in investing Activities		-
Cash Flows from Financing Activities		
Capital injection		75,758
Net cash used in financing activities		<u>75,758</u>
Net increase/(decrease) in cash and cash equivalents		<u>75,323</u>
Cash and cash equivalents at the beginning		-
Cash and cash equivalents at the end	6	<u><u>75,323</u></u>

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

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

NOTES TO THE ACCOUNTS FOR THE PERIOD FROM 13TH SEPTEMBER 2017 TO 31ST MARCH 2018

1. CORPORATE INFORMATION

The financial statements of the Company for the period from 13th September 2017 to 31st March 2018, were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

Naga Far East Private Limited is a limited liability non-exempt private Company, incorporated in the Republic of Singapore under Registration No: 201726071D.

The principal activities of the Company are to carry on the business of general importers and exporters. There have been no significant changes in the nature of these activities during the year. As at the date of this report, the Company has not commenced operations.

The registered office of the Company is situated at 77, High Street, #03-10, High Street Plaza, Singapore 179433.

Functional and reporting currency adopted by the Company is United States Dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

On 13th September 2017, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for periods beginning on or after 13th September 2017.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.2 PROPERTY, PLANT AND EQUIPMENTS

Property, plant and equipments are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipments comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenditure incurred after property, plant and equipments have been put into operation such as repairs and maintenance is normally charged to the income statement in the period in which it is incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives on the straight line method at the following annual rates.

Plant & Machinery	
Furniture & Fittings	33.33%
Office Equipments	33.33%
Computers	100%

Full depreciation is provided in the year of purchase and no depreciation is provided in the year .

2.3 INCOME RECOGNITION

Revenue is recognized when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably. During the year the Company did not commence business

2.4 TAXATION

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and any losses that can be utilized against future profits. Currently enacted tax rates are used in the determination of deferred income tax.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.4 TAXATION, cont'd

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax are charged or credited to equity if the tax relates to items that are credited or charged in the same or a different period, directly to equity and to profit or loss for all other items.

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 such indication exists, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, impairment losses are recognized in the profit and loss account.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized 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 recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the profit and loss account. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.6 IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.6 IMPAIRMENT OF FINANCIAL ASSETS, cont'd

a. Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables 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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognized in the profit and loss account.

If, in a subsequent period, the amount of the impairment 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. Any subsequent reversal of an impairment loss is recognized in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

b. Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.7 LEASES

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to income statement in equal annual amounts over the period of the leases.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.8 FINANCIAL INSTRUMENTS

Financial instruments carried in the balance sheet included cash and bank balances, trade receivables, other receivables, trade and other bills payables, other payables and bank loans. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of manufacturing overheads based on normal level of activities. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion or disposal.

2.10 TRADE AND OTHER PAYABLES

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognized initially at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognized in income statement when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

2.12 PROVISIONS AND CONTINGENCIES

A provision is recognised when there is a present obligation, legal or constructive, as a result of past event and 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 reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Naga Far East Private Limited**Notes to the Accounts for the period from 13th September 2017 to 31st March 2018**

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd**2.13 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS**

Foreign currency transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the respective functional currencies at the exchange rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognized in the income statement.

Currency translation differences on non-monetary items such as equity investments held at fair value through profit or loss are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items such as equity investments classified as available-for-sale financial assets, are included as part of the fair value gain or loss.

2.14 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated/Company's cash flows statement, cash and cash equivalents consist of cash on hand and in banks which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purposes of balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits which are not restricted as to use.

2.15 EMPLOYEE BENEFITS**Defined Contribution Plan**

As required by Law, the Company makes contributions to the Central Provident Fund (CPF). CPF contributions are recognized as compensation expense in the same financial year as the employment that gives rise to the contribution.

Employee leave entitlement

Employee leave entitlements to annual leave are recognized when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the balance sheet date.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.16 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's financial statements are presented in United States Dollars, which is the Company's functional currency and presentation currency that reflects the primary economic environments in which the Company operates.

2.17 BORROWING COSTS

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, except to the extent they are capitalized as being directly attributable to the acquisition and construction of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.18 FINANCIAL ASSETS

Financial assets within the scope of FRS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial assets are recognized on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

a. Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognized in the profit and loss account.

The Company does not designate any financial assets not held for trading as financial assets at their fair value through profit and loss.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.18 FINANCIAL ASSETS, cont'd

b. Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in the active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. The cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognized amount and the maturity amount and minus any reduction for impairment or inability to collect. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognized in profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

c. Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are designated as held-to-maturity when the Company has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. For investments carried at amortised cost, gains and losses are recognized in the profit and loss account when the investments are derecognised or impaired, as well as through the amortisation process.

d. Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

The fair value of investments that are actively traded in organized financial markets is determined by reference to the relevant exchange's quoted market bid prices at the close of the business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses.

The Company's long and short term investments are designated as available-for-sale investments.

Naga Far East Private Limited**Notes to the Accounts for the period from 13th September 2017 to 31st March 2018**

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd**2.19 FINANCIAL LIABILITIES AND EQUITY**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into includes borrowings, bank loans, overdrafts, bills discounted and bills payable to financial institution, loan from ultimate holding Company, trade and other payables, finance lease obligations and other liabilities.

Interest bearing borrowings and overdrafts and other payables are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future of goods and services received. Interest-bearing trade and other payables are recognized initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing trade and other payables are stated at amortised cost.

Ordinary shares are classified as equity and are recorded at the proceeds received net of direct issue costs.

3. PRINCIPAL ACTIVITIES & TURNOVER

Principal activities of the Company are to carry on the business of general wholesale trade (including general importers and exporters).

As at the balance sheet date, the Company has not commenced operations

4. OTHER OPERATING EXPENSES

	<u>2018</u>
	US\$
Bank charges	435
Legal & professional charges	3,609
	<u>4,044</u>

5. INCOME TAX**CURRENT TAX**

	<u>2018</u>
	US\$
Current tax	-
	<u>-</u>

Naga Far East Private Limited**Notes to the Accounts for the period from 13th September 2017 to 31st March 2018**

5. INCOME TAX, cont'd

The income tax expense varied from the amount of income tax expense determined by applying the Singapore Income tax rate of 17% for the year ended 31st March 2018 to profit before tax as a result of the following differences:

	<u>2018</u> US\$
Loss before tax	<u>(4,044)</u>
Tax calculated @ 17%	(687)
Disallowed expenses	<u>687</u>
	<u>-</u>

6. CASH AND CASH EQUIVALENTS

	<u>2018</u> US\$
Bank balance in current account	<u>75,323</u>
	<u>75,323</u>

Bank balance is designated in US dollars.

7. SHARE CAPITAL

	<u>2018</u> US\$
<u>Issued and fully paid-up capital</u>	
<u>Shares at the date of incorporation</u>	
10,000 equity shares of S\$10.00 each fully paid	<u>75,758</u>
Total 10,000 equity share of S\$10.00 each fully paid	<u>75,758</u>

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 restriction. The ordinary shares do not have any par value.

8. TRADE AND OTHER PAYABLES

	<u>2018</u> US\$
Expenses payables	<u>3,609</u>
	<u>3,609</u>

Expenses payable are designated in Singapore dollars. These are payable to the holding company.

Naga Far East Private Limited

Notes to the Accounts for the period from 13th September 2017 to 31st March 2018

9. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintain a strong credit rating and net current asset position in order to support its business and maximize shareholder value. The capital structure of the Company comprises 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 dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial period ended 31st March 2018.

10. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table analyses the financial assets and liabilities in the balance sheet by the class of financial instrument which they are assigned and therefore by the measurement basis:

	<u>2018</u> US\$
<u>Financial Assets</u>	
<u>Loans & receivable</u>	
Cash and cash equivalents	75,323
Total loans and receivable	<u>75,323</u>
<u>Financial Liabilities at amortised cost</u>	
Trade and other payables	3,609
Total Financial Liabilities at amortised cost	<u>3,609</u>

11. FINANCIAL RISK MANAGEMENT

The Company does not have any written financial risk management policies and guidelines. The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in Interest rates and foreign exchange. The Company's exposures to financial risks associated with financial instruments held in the ordinary course of business include:

11. FINANCIAL RISK MANAGEMENT, cont'd

a. 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 on going credit evaluation of its counterparties' financial condition and generally do not require 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

The Company has does not have significant exposure to credit risk as it has not commenced business

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Naga Far East Private LimitedNotes to the Accounts for the period from 13th September 2017 to 31st March 2018

11. FINANCIAL RISK MANAGEMENT, continued**b. Liquidity Risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company maintains sufficient level of cash and cash equivalents and has available adequate facilities to meet its working capital requirements.

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.

<u>2018</u>	<u>Carrying</u> <u>Amt</u>	<u>Contractual</u> <u>cash flows</u>	<u>One year</u> <u>or less</u>	<u>Two and</u> <u>more years</u>
<u>Financial assets</u>				
Cash and cash equivalents	75,323	75,323	75,323	-
Total undiscounted financial assets	75,323	75,323	75,323	-
<u>Financial liabilities</u>				
Trade and other payables	3,609	3,609	3,609	-
Total undiscounted financial liabilities	3,609	3,609	3,609	-
Total net undiscounted financial assets	71,714	71,714	71,704	-

c. Market Risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have exposure to interest bearing financial instruments

11. FINANCIAL RISK MANAGEMENT, continued

(ii) 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 ensures that the net exposure is kept to an acceptable level by buying and selling in the same currencies, where necessary, buying or selling foreign currencies at spot rates to address short term imbalances.

The Company does not expect significant effect on the Company's profit or loss arising from movement in foreign exchange rates.

12. FAIR VALUES

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.

13. SIGNIFICANT ACCOUNTING JUDGMENTS 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.

Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

Naga Far East Private Limited**Notes to the Accounts for the period from 13th September 2017 to 31st March 2018**

13. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES, cont'd**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.

14. STANDARDS ISSUED BUT NOT YET EFFECTIVE**Adoption of New and Revised Standards**

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 13th September 2017 including the Amendments to FRS 7 *Disclosure Initiative*.

Standards issued but not yet effective

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

Description	Effective date for annual periods beginning on or after
FRS 102 Classification and Measurement of Share-based Payment Transactions	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
FRS 115 Revenue from contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Improvements to FRSs (December 2016)	1 Jan 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 Jan 2018
INT FRS 123 Uncertainty over Income Tax Treatments	1 Jan 2019

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

15. COMPARATIVES INFORMATION

The financial statements cover the period since incorporated on 13th September 2017 to 31st March 2018. These being the first set of accounts, there are no comparative figures.
