

CIGNEX DATAMATICS PTE. LTD.
(Incorporated in Singapore) (Co. Reg. No.: 200812424E)

ANNUAL REPORT
For the financial year ended 31 March 2017

Audit Alliance LLP
Public Accountants and
Chartered Accountants

CIGNEX DATAMATICS PTE. LTD.

(Incorporated in Singapore) (Registration Number: 200812424E)

ANNUAL REPORT

For the financial year ended 31 March 2017

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CIGNEX DATAMATICS PTE. LTD.

Co. Reg. No. :200812424E

DIRECTOR'S STATEMENT

For the financial year ended 31 March 2017

The directors present their report to the member together with the audited financial statements of the Company for the financial year ended **31 March 2017**.

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages **6 to 24** are drawn up so as to give a true and fair view of the state of affairs of the Company at **31 March 2017**, and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Vidur Vishnu Bhogilal
Srivastava Rajeev Balramkumar

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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 and debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related corporations. None of the directors holding office at 31 March 2017 had any interest in the debentures of the Company or any related company.

Share options

No options have been granted to controlling shareholders, directors and employees during the financial year.

During the financial year, no shares of the Company were allotted and issued by virtue of the exercise of options to take up unissued shares of the Company.

CIGNEX DATAMATICS PTE. LTD.

Co. Reg. No. :200812424E

DIRECTOR'S STATEMENT

For the financial year ended 31 March 2017

Independent Auditor

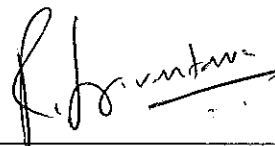
The independent auditor, Audit Alliance LLP, has expressed its willingness to accept re-appointment.

x 

Vidur Vishnu Bhogilal
Director

Singapore

Date: 15 MAY 2017



Srivastava Rajeev Balramkumar
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **Cignex Datamatics Pte. Ltd. (the "company")** which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and noted 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 2017 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 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 page 1 to 2.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E

Report on the audit of the Financial Statements (continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E**

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

- 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.

The engagement partner on the audit resulting in this independent auditor's report is Chinnu Palanivelu.

A handwritten signature in black ink that reads "Audit Alliance" followed by a stylized signature of the engagement partner.

AUDIT ALLIANCE LLP
Public Accountants and Chartered Accountants

Singapore

Date: 15th May 2017

CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Revenue	4	352,604	-
Cost of services	5	(271,123)	-
Gross profit		81,481	-
Other income	6	5,213	-
Other losses	7	(120)	(5,180)
Expenses			
- Distribution expense	8	(16,772)	(34,558)
- Administrative expense	9	(32,244)	(11,087)
Profit / (loss) before income tax		37,558	(50,825)
Income tax expense	11(a)	1,390	-
Net profit /(loss) and total comprehensive income		38,948	(50,825)

The accompanying notes form an integral part of these financial statements.
Independent Auditor's Report – Page 3, 4 & 5.

CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E

BALANCE SHEET
As at 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and bank balance	12	192,131	178,196
Trade and other receivables	13	80,906	-
Total assets		273,037	178,196
LIABILITIES			
Current liabilities			
Trade and other payables	14	99,414	43,521
Current income tax liabilities	11(b)	958	958
Total liabilities		100,372	44,479
NET ASSETS		172,665	133,717
EQUITY			
Share capital	15	1	1
Retained earnings		172,664	133,716
Total equity		172,665	133,717

*The accompanying notes form an integral part of these financial statements.
Independent Auditor's Report – Page 3, 4 & 5.*

CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2017

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
2017			
Beginning of financial year	1	133,716	133,717
Net profit and total comprehensive income	-	38,948	38,948
End of financial year	1	172,664	172,665
2016			
Beginning of financial year	1	184,541	184,542
Net profit and total comprehensive income	-	(50,825)	(50,825)
End of financial year	1	133,716	133,717

The accompanying notes form an integral part of these financial statements.
Independent Auditor's Report – Page 3, 4 & 5.

CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Profit/(loss) before income tax		37,558	(50,825)
Change in working capital			
- Trade and other receivables		(80,906)	-
- Trade and other payables		55,893	(163,274)
Cash generated from operations		12,545	(214,099)
Tax received	11(b)	1,390	(4,657)
Net cash provided by operating activities		13,935	(218,756)
Net increase/(decrease) in cash and bank balance		13,935	(218,756)
Cash and bank balance at beginning of financial year	12	178,196	396,952
Cash and bank balance at end of financial year	12	192,131	178,196

The accompanying notes form an integral part of these financial statements.
Independent Auditor's Report – Page 3, 4 & 5.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

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

1. General information

Cignex Datamatics Pte. Ltd. is incorporated and domiciled in Singapore. The address of its registered office is 4 Shenton Way, #08-03 SGX Centre 2, Singapore 068 807.

The principal activities of the Company are software consulting services, development of software and programming activities and architecture, design, development, and support of customised software.

There have been no significant changes in the nature of this activity during the financial year.

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 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 certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue for the Company comprises the fair value of the consideration received or receivable for the sales of goods, net of goods and services tax, rebates and discounts. Revenue is recognized as follows:

Rendering of services

Revenue from consultancy services is recognized when the services are rendered using the percentage of completion method based on the actual service provided as a proportion of the total services to be performed.

2.3 Financial assets

(a) *Classification*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to the profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.3 Financial assets (continued)

(e) *Impairment*

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit or loss.

The allowance for impairment loss account is reduced through the profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

(f) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.4 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.5 Fair value estimation

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.6 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.7 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.8 Currency translation

(i) 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 ("functional currency"). The financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.9 Cash and bank balance

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand which are subject to an insignificant risk of change in value.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

3. Critical accounting estimates, assumptions and judgements

There are no critical accounting estimates, assumptions and judgements noted.

4. Revenue

	2017	2016
	\$	\$
Software license fees	61,263	-
Consulting income	291,341	-
	<u>352,604</u>	<u>-</u>

5. Cost of services

	2017	2016
	\$	\$
Consultant cost from a related party	(129,014)	-
Software license cost	(49,216)	-
Travel expenses	(21,589)	-
Consultant cost from holding company	(71,304)	-
	<u>(271,123)</u>	<u>-</u>

6. Other income

	2017	2016
	\$	\$
Reimbursable expenses claimed	<u>5,213</u>	<u>-</u>

7. Other losses

	2017	2016
	\$	\$
Currency translation loss	<u>(120)</u>	<u>(5,180)</u>

8. Distribution expense

	2017	2016
	\$	\$
Management fee from holding company	<u>16,772</u>	<u>34,558</u>

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

9. Administrative expense

	2017	2016
	\$	\$
Audit fee	(5,625)	(6,918)
Bank charges	(344)	(40)
Secretarial fee	-	(895)
Finance charges	(392)	(568)
General expense	-	(342)
Outside services	(300)	-
Penalties	-	(233)
Professional fee	(21,983)	(1,140)
Tax fee	(3,600)	(825)
Travel expenses	-	(126)
	<u>(32,244)</u>	<u>(11,087)</u>

10. Employee compensation

There is no employee compensation as the Company does not have employees. Administrative support to the Company is provided by its related company.

11. Income taxes

(a) Income tax expense

	2017	2016
	\$	\$
Overprovision in prior financial year:		
- Current income tax	<u>1,390</u>	<u>-</u>

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2017	2016
	\$	\$
Profit before income tax	<u>37,558</u>	<u>(50,825)</u>
Tax calculated at a tax rate of 17% (2016: 17%)	6,385	(8,640)
Effects of:		
- Expenses not deductible for tax purposes	-	39
- Singapore statutory stepped income exemption	(3,618)	-
- Tax rebate	(1,384)	-
- Origination of deferred tax assets not recognised:	-	8,601
tax losses		
- Over provision of tax in prior financial years	(1,390)	-
- Others	(1,383)	-
Tax income	<u>(1,390)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

11. Income taxes (continued)

(b) Movements in current income tax liabilities

	2017 \$	2016 \$
Beginning of financial year	958	5,615
Income tax refund/(paid)	1,390	(4,657)
Over provision of tax in prior financial years	(1,390)	-
End of financial year	<u>958</u>	<u>958</u>

12. Cash and bank balance

	2017 \$	2016 \$
Cash and bank balance	<u>192,131</u>	<u>178,196</u>

Cash and bank balance are denominated in the following currencies:

	2017 \$	2016 \$
Singapore Dollar	131,641	130,759
United States Dollar	60,490	47,437
	<u>192,131</u>	<u>178,196</u>

13. Trade and other receivables

	2017 \$	2016 \$
Trade receivables		
-third parties	61,766	-
-related party	8,341	-
Deposits	1,900	-
Prepayment	8,899	-
	<u>80,906</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

13. Trade and other receivables (continued)

Trade receivables due from third parties are unsecured, interest free and are generally on 30 to 90 days term.

Trade receivables due from related party is unsecured, interest free and are generally on 30 to 90 days term.

The carrying amounts of trade receivable approximate their fair value.

Trade receivables are denominated in the following currencies:

	2017 \$	2016 \$
Singapore Dollar	70,062	-
United States Dollar	10,844	-
	<u>80,906</u>	<u>-</u>

14. Trade and other payables

	2017 \$	2016 \$
Trade payables		
-related party	17,673	-
-holding company	41,322	-
Other payables – non-trade		
-non-related parties	26,853	-
-holding company	-	34,558
	<u>26,853</u>	<u>34,558</u>
Accruals for operating expenses	13,566	8,963
	<u>99,414</u>	<u>43,521</u>

Trade payables due to holding company are unsecured, non-interest bearing and are repayable amount.

Trade payables due to related party is unsecured, non-interest bearing and are repayable amount.

The carrying amounts of trade and other payables approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

14. Trade and other payables (continued)

Trade and other payables are denominated in the following currencies:

	2017	2016
	\$	\$
Singapore Dollar	76,508	43,521
United States Dollar	14,150	-
Rupees	8,756	-
	<u>99,414</u>	<u>43,521</u>

15. Share capital

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	2017	2016	2017	2016
			\$	\$
<u>Issued share capital</u>				
Beginning and end of financial year	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividend as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

16. Immediate and ultimate holding company

The Company's immediate holding company is Cignex Datamatics Inc., a company incorporated in the United States. The Company's ultimate holding company is Datamatics Global Services Limited, a company incorporated in India.

17. Financial risk management

Financial risk factors

The Company's activities do not expose it to significant market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The Management team then establishes detailed policies such as risk identification and measurement. Financial risk management is carried out by the treasury personnel. The financial personnel measure actual exposure and prepare reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

17. Financial risk management (continued)

(a) *Market risk*

(i) *Currency risk*

The Company's business operation are not exposed to significant foreign currency risk as it has no significant transactions denominated in foreign currencies.

(ii) *Price risk*

The Company has insignificant exposure to equity price risk as it does not hold significant equity financial assets.

(iii) *Interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

(b) *Credit risk*

The Company has no significant concentration credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

(c) *Liquidity risk*

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow.

	<u>Less than 1 year</u>
	\$
2017	
Trade and other payables	<u>99,414</u>
2016	
Trade and other payables	<u>43,521</u>

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

17. Financial risk management (continued)

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company maybe adjusts the amount of dividend payment, return capital to shareholders, issue new shares or obtain new borrowings or sell assets to reduce borrowings.

The Board of Director's monitors its capital based on net debt and total capital. Net debt is calculated as trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus debt.

	2017 \$	2016 \$
Net debt	-	-
Total equity	172,665	133,717
Total capital	<u>172,665</u>	<u>133,717</u>

The Company is not subjected to any externally imposed capital requirements.

(e) Financial instruments by category

	2017 \$	2016 \$
Loans and receivables	<u>264,138</u>	178,196
Financial liabilities at amortised cost	<u>95,467</u>	43,521

18. Related party transactions

The following related party transactions took place between the Company and related company during the financial year:

	2017 \$	2016 \$
With holding company		
Management fee	16,772	34,558
Consultant cost	<u>71,304</u>	-
With related party		
Consultant cost	<u>129,014</u>	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

18. Related party transactions (continued)

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

19. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2017 and which the Company has not early adopted:

- **FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018*)**

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This amendment is not expected to have any significant impact on the financial statements of the company.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

19. New or revised accounting standards and interpretations (continued)

- **FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)**

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company does not have any operating leases. However, the Company has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

- **FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)**

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required by is different to that currently prepared under FRS 39.

This amendment is not expected to have any significant impact on the financial statements of the Company.

CIGNEX DATAMATICS PTE. LTD.
Co. Reg. No. :200812424E

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Cignex Datamatics Pte. Ltd. on 15th May 2017.

CIGNEX DATAMATICS PTE. LTD.

Co. Reg. No. :200812424E

DETAILED INCOME STATEMENT

For the financial year ended 31 March 2017

	2017 \$	2016 \$
REVENUE		
Consulting income	291,341	-
Software license fees	61,263	-
	352,604	-
LESS: COST OF GOODS SOLD		
Consultant cost from a related party	(129,014)	-
Software license cost	(49,216)	-
Consultant cost from holding company	(71,304)	-
Travel expenses	(21,589)	-
	(271,123)	-
Gross profit	81,481	-
ADD: OTHER INCOME		
Reimbursable expenses	5,213	-
LESS: OTHER LOSSES		
Exchange loss	(120)	(5,180)
LESS: EXPENSES		
Audit fee	(5,625)	(6,918)
Bank charges	(344)	(40)
Company secretarial fee	-	(895)
Finance charges	(392)	(568)
General expense	-	(342)
Outside services	(300)	-
Penalties	-	(233)
Professional services	(21,983)	(1,140)
Tax fee	(3,600)	(825)
Travel expenses	-	(126)
Management fee from holding company	(16,772)	(34,558)
	(49,016)	(45,645)
Profit before income tax	37,558	(50,825)
Income tax credit	1,390	-
Net profit	38,948	(50,825)

This page does not form part of the audited financial statements.

CIGNEX DATAMATICS PTE. LTD.

Co. Reg. No. :200812424E

CORPORATE DATA

As at 31 March 2017

CIGNEX DATAMATICS PTE. LTD.

(Incorporated in Singapore)

Company Registration Number: 200812424E

Board of Directors

Vidur Vishnu Bhogilal

Rajeev Srivastava

Auditor

Audit Alliance LLP

Chartered Accountants and Public Accountants

No 20 Maxwell Road,

#11-09 Maxwell House,

Singapore 069 113.

Telephone : (65) 6227 5428

Fax : (65) 6227 9418

Auditor-In-Charge : Chinnu Palanivelu

Registered Office

4 Shenton Way,

#08-03 SGX Centre 2,

Singapore 068 807.

Company Secretary

So Yuk Kee Minerva

Principal Banker

The Development Bank of Singapore Ltd