

**CIGNEX DATAMATICS PTE. LTD.**  
***Registration Number: 200812424E***  
***(Incorporated in Singapore)***

**FINANCIAL STATEMENTS**  
***For the financial year ended 31 March 2020***

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*(Registration Number: 200812424E)*

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**FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

<b>Contents</b>	<b>Page</b>
Directors' Statement	1 - 2
Independent Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 27

# **CIGNEX DATAMATICS PTE. LTD.**

## **DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2020*

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The directors are pleased to present their statement to the member together with the audited financial statements of Cignex Datamatics Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

### **1. Opinion of the directors**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, 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.

### **2. Directors**

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

Vidur Vishnu Bhogilal  
Paul Anthony Parokkaran

### **3. Arrangements to enable directors to acquire shares and debentures**

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

### **4. Directors' interests 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 had no interests in the shares or debentures of the Company and its related corporations.

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**CIGNEX DATAMATICS PTE. LTD.**

**DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2020*

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**5. Share options**

There were no share options granted during the financial year to subscribe for the 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.

**6. Auditor**

Bestar Assurance PAC have expressed their willingness to accept re-appointment as auditor.



**Vidur Vishnu Bhogilal**  
Director



**Paul Anthony Parakkaran**  
Director

**14 MAY 2020**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CIGNEX DATAMATICS PTE. LTD.

### 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 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial 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 2020 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CIGNEX DATAMATICS PTE. LTD.

*(continued)*

### *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 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CIGNEX DATAMATICS PTE. LTD.

*(continued)*

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

- 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.

*Bestar Assurance PAC*

**Bestar Assurance PAC**  
Public Accountants and  
Chartered Accountants  
Singapore

14 MAY 2020

**CIGNEX DATAMATICS PTE. LTD.****STATEMENT OF FINANCIAL POSITION***As at 31 March 2020*

	<b>Note</b>	<b><u>2020</u></b> <b>S\$</b>	<b><u>2019</u></b> <b>S\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	4	47,165	301,812
Cash and cash equivalents	5	244,925	360,319
<b>Total current assets</b>		<u>292,090</u>	<u>662,131</u>
<b>Total assets</b>		<u>292,090</u>	<u>662,131</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	1	1
Retained earnings		234,663	212,769
<b>Total equity</b>		<u>234,664</u>	<u>212,770</u>
<b>Current liabilities</b>			
Trade and other payables	7	57,426	449,361
<b>Total current liabilities</b>		<u>57,426</u>	<u>449,361</u>
<b>Total liabilities</b>		<u>57,426</u>	<u>449,361</u>
<b>Total equity and liabilities</b>		<u>292,090</u>	<u>662,131</u>



**CIGNEX DATAMATICS PTE. LTD.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the financial year ended 31 March 2020*

	<b>Note</b>	<b><u>2020</u></b> <b>S\$</b>	<b><u>2019</u></b> <b>S\$</b>
Revenue	8	224,408	602,122
Cost of sales		<u>(215,671)</u>	<u>(542,815)</u>
Gross profit		8,737	59,307
Other income	9	23,690	5,385
Administrative and other operating expenses		(10,533)	(33,896)
<b>Profit before income tax</b>	10	<u>21,894</u>	<u>30,796</u>
Income tax expense	11	-	(793)
<b>Net profit for the financial year</b>		<u>21,894</u>	<u>30,003</u>
<b>Other comprehensive income, net of tax</b>		-	-
<b>Total comprehensive income for the financial year</b>		<u><u>21,894</u></u>	<u><u>30,003</u></u>

**CIGNEX DATAMATICS PTE. LTD.****STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2020*

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	<b>Share capital S\$</b>	<b>Retained earnings S\$</b>	<b>Total S\$</b>
As at 1 April 2018	1	182,766	182,767
Profit for the financial year representing total comprehensive income for the financial year	-	30,003	30,003
As at 31 March 2019	1	212,769	212,770
Profit for the financial year representing total comprehensive income for the financial year	-	21,894	21,894
As at 31 March 2020	1	234,663	234,664

**CIGNEX DATAMATICS PTE. LTD.**

**STATEMENT OF CASH FLOWS**

*For the financial year ended 31 March 2020*

	<u>2020</u> S\$	<u>2019</u> S\$
<b>Cash flows from operating activities</b>		
Profit before income tax	21,894	30,796
Operating profit before changes in working capital	21,894	30,796
Changes in working capital:		
Trade and other receivables	254,647	(251,839)
Trade and other payables	(391,935)	371,684
Cash (used in) / generated from operations	(115,394)	150,641
Income tax paid	-	(1,265)
<b>Net cash (used in) / generated from operating activities</b>	(115,394)	149,376
<b>Net (decrease) / increase in cash and cash equivalents</b>	(115,394)	149,376
<b>Cash and cash equivalents at the beginning of the financial year</b>	360,319	210,943
<b>Cash and cash equivalents at the end of the financial year (Note 5)</b>	244,925	360,219

# CIGNEX DATAMATICS PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2020*

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

### 1. General

Cignex Datamatics Pte. Ltd. (the “Company”) is incorporated and domiciled in Singapore with its registered office at 4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.

The principal activities of the Company are those of software consulting services, development of software and programming activities and architecture, design, development, and support of customised software. There have been no significant changes to the Company’s principal activities during the financial year.

The immediate holding company is Cignex Datamatics, Inc., a company incorporated in United States of America. The ultimate holding company is Datamatics Global Services Limited, a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors as stated in Directors’ Statement.

### 2. Significant accounting policies

#### (a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

The financial statements of the Company are presented in Singapore Dollars (“S\$”), which is the Company’s functional currency and are prepared in accordance with the historical cost convention except as disclosed in the accounting policies.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year.

#### *Interpretations and amendments to published standards effective from 1 April 2019*

On 1 April 2019, 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 the 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 period.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**2. Summary of significant accounting policies (continued)**

**(b) Foreign currency 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.

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

**(c) Financial assets**

**(i) 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 fair value through profit or loss (“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.

**(ii) 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, fair value through other comprehensive income (“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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**2. Significant accounting policies (continued)**

(c) Financial assets (continued)

(iii) De-recognition

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.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

(e) Impairment of financial assets

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).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors’ ability to pay.

The Company considers a financial asset in default when contractual payments are 90 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**2. Significant accounting policies (continued)**

**(f) Share capital**

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

**(g) Financial liabilities**

**(i) 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 the 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.

**(ii) 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.

**(iii) 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 liability are substantially modified, such as 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**2. Significant accounting policies (continued)**

**(h) Revenue recognition**

Revenue is measured based on the 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 parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

*Consulting income*

Revenue from consultancy services are recognised as and when the services are rendered.

*Software license fees*

Revenue from sale of licenses is recognised when the Company has delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the transaction price, which comprises the contractual price.

*Other income*

Other income is recognised when the right to the income is established.

**(i) 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.



**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**2. Significant accounting policies (continued)**

**(i) Taxes**

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3. Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(i) Critical judgements in applying the Company's accounting policies**

The management is of the opinion that the key judgement which has the most significant effect on the amounts recognised in the financial statements is discussed below:

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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**3. Critical accounting judgement and key sources of estimation uncertainty (continued)**

**(ii) Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income taxes

The Company is subject to income taxes in Singapore. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provisions in the period in which such determination is made.

Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECs is sensitive to changes in circumstances and of forecast economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 13.

The carrying amount of the Company's trade and other receivables as at 31 March 2020 was S\$47,165 (2019: S\$301,812).

**CIGNEX DATAMATICS PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2020***4. Trade and other receivables**

	<u>2020</u> S\$	<u>2019</u> S\$
Trade receivables		
- Third parties	40,100	299,773
- Accrued revenue	5,450	-
Less: Allowance for expected credit losses	<u>(5,457)</u>	<u>-</u>
	40,093	299,773
Other receivables		
- Deposits	1,900	1,900
- Prepayments	1,602	139
- GST receivables	<u>3,570</u>	<u>-</u>
	<u>47,165</u>	<u>301,812</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms.

Movements in allowance for expected credit losses are as follows:

	<u>2020</u> S\$	<u>2019</u> S\$
At beginning of financial year	-	-
Provision for expected credit losses	<u>5,457</u>	<u>-</u>
At end of financial year	<u>5,457</u>	<u>-</u>

**5. Cash and cash equivalents**

	<u>2020</u> S\$	<u>2019</u> S\$
Cash at bank	244,924	360,318
Cash on hand	<u>1</u>	<u>1</u>
	<u>244,925</u>	<u>360,319</u>

**6. Share capital**

	<u>2020</u> S\$	<u>2019</u> S\$
<b>Issued and fully paid share capital</b>		
At beginning and end of financial year:		
1 (2019: 1) ordinary share	<u>1</u>	<u>1</u>

The holder of ordinary share is entitled to receive dividends as and when declared by the Company. The ordinary share has no par value and carries one vote per share without restriction.

**CIGNEX DATAMATICS PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2020***7. Trade and other payables**

	<u>2020</u> S\$	<u>2019</u> S\$
Trade payables		
- Third parties	176	25,087
- Immediate holding company	50,825	347,668
- Ultimate holding company	653	654
	<u>51,654</u>	<u>373,409</u>
Other payables		
- Accrued operating expenses	5,772	13,062
- Deferred revenue	-	40,800
- Other creditors	-	22,090
	<u>57,426</u>	<u>449,361</u>

Trade payables are non-interest bearing and are generally on 30 days' terms.

**8. Revenue**

	<u>2020</u> S\$	<u>2019</u> S\$
Consulting income	220,247	546,630
Software license fees	4,161	55,492
	<u>224,408</u>	<u>602,122</u>

**9. Other income**

	<u>2020</u> S\$	<u>2019</u> S\$
Foreign exchange gain	3,445	5,385
Other income	20,245	-
	<u>23,690</u>	<u>5,385</u>

**10. Profit before income tax**

This is arrived at after charging the following items:

	<u>2020</u> S\$	<u>2019</u> S\$
Professional fee	<u>1,000</u>	<u>3,600</u>

# CIGNEX DATAMATICS PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

### 11. Income tax expense

The major components of income tax expense recognised in profit or loss are as follows:

	<u>2020</u> S\$	<u>2019</u> S\$
Current income tax		
- Under provision in prior year	-	793

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit before income tax as a result of the following differences:

	<u>2020</u> S\$	<u>2019</u> S\$
Profit before income tax	21,894	30,796
Income tax expense at statutory rate	3,722	5,235
Exempt income	(2,005)	(4,654)
Expenses not deductible for tax purposes	24	4,139
Non-taxable income	(586)	(915)
Under provision in prior year	-	793
Other factors	(1,155)	(3,805)
	-	793

Movements in income tax payable are as follows:

	<u>2020</u> S\$	<u>2019</u> S\$
At beginning of financial year	-	472
Under provision in prior year	-	793
Tax paid during the financial year	-	(1,265)
At end of financial year	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**12. Related party transactions**

Parties are considered related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related party if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Consultant fee charged by immediate holding company	<u>107,906</u>	<u>357,421</u>

**13. Financial risk management**

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and foreign currency 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 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 above-mentioned 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 trade and other receivables. For other financial assets (cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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 considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**13. Financial risk management (continued)**

***Credit risk (continued)***

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 90 days, default of interest due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 13. Financial risk management (continued)

**Credit risk (continued)**

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 >60 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >90 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

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
<b>31 March 2020</b>						
Trade receivables	4	Note 1	Lifetime ECL (simplified)	45,550	(5,457)	40,093
Other receivables (excluding prepayments)	4	I	12-month ECL	5,470	(5,457)	5,470
<b>31 March 2019</b>						
Trade receivables	4	Note 1	Lifetime ECL (simplified)	299,773	-	299,773
Other receivables (excluding prepayments)	4	I	12-month ECL	1,900	-	1,900



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

## 13. Financial risk management (continued)

*Credit risk (continued)***Trade receivables (Note 1)**

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using provision matrix, estimated based on historical credit loss experience based on past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Trade receivables					Total S\$
	Not past due S\$	≤30 days S\$	Days past due 31-60 days S\$	61-90 days S\$	>90 days S\$	
<b>31 March 2020</b>						
ECL rate	-	-	-	-	19.43%	
Estimated total gross carrying amount at default	6,341	-	-	11,128	28,081	45,550
ECL	-	-	-	-	(5,457)	(5,457)
						<u>40,093</u>
<b>31 March 2019</b>						
ECL rate	-	-	-	-	-	-
Estimated total gross carrying amount at default	237,872	29,318	19,245	13,598	(260)	299,773
ECL	-	-	-	-	-	-
						<u>299,773</u>

**Other receivables**

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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2019*

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**13. Financial risk management (continued)**

***Credit risk (continued)***

**Excessive risk concentration (continued)**

Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

**Exposure to credit risk**

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

***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.

No analysis of financial instruments by remaining contractual maturities are presented as they are due within one year.

***Foreign currency risk***

The Company's foreign currency 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 or selling foreign currencies at spot rates, where necessary, to address short term imbalances. The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Thai Bhat ("THB"), and United States Dollar ("USD")

**CIGNEX DATAMATICS PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2019***13. Financial risk management (continued)*****Credit risk (continued)******Foreign currency risk***

The Company's currency exposures to THB and USD exposures at the end of the financial year were as follows:

	<u>2020</u>		<u>2019</u>	
	USD		USD	THB
	S\$		S\$	S\$
<b>Financial assets</b>				
Trade and other receivables	763		663	-
Cash and cash equivalents	151,345		101,339	-
	<u>152,108</u>		<u>102,002</u>	<u>-</u>
<b>Financial liabilities</b>				
Trade and other payables	-		-	(412,481)
<b>Net currency exposure</b>	<u>152,108</u>		<u>102,002</u>	<u>(412,481)</u>

A 10% strengthening of Singapore Dollar against the foreign currencies denominated balances as at the reporting date would increase / (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	<b>Profit after tax</b>	
	<u>2020</u>	<u>2019</u>
	S\$	S\$
United States Dollar	12,625	8,467
Thai Bhat	-	(34,236)

A 10% weakening of Singapore Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

# CIGNEX DATAMATICS PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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### 14. Financial instruments by category

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

	<u>2020</u> S\$	<u>2019</u> S\$
<b>Financial assets measured at amortised cost</b>		
Trade and other receivables (excluding prepayments)	45,563	301,673
Cash and cash equivalents	244,925	360,319
	<u>290,488</u>	<u>661,992</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables (excluding deferred revenue)	57,426	408,561
	<u>57,426</u>	<u>408,561</u>

### 15. Fair values of assets and liabilities not measured at fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between the 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.

*Trade receivables and trade payables*

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

### 16. 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 Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes during the financial year. The Company's overall strategy remains unchanged from previous financial year.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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**17. New or revised FRS and INT FRS issued but not yet effective**

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 April 2020. However, management anticipates that the adoption of these standards and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

-----End of audited financial statements-----

**CIGNEX DATAMATICS PTE. LTD.****DETAILED INCOME STATEMENT***For the financial year ended 31 March 2020*

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Revenue</b>		
Consulting income	220,246	546,630
Software license fees	4,162	55,492
	<u>224,408</u>	<u>602,122</u>
<b>Less: Cost of services rendered</b>		
Consultant cost	196,257	492,772
Software license cost	3,557	50,043
Travel expenses	10,575	-
Other expenses	5,282	-
	<u>215,671</u>	<u>542,815</u>
<b>Gross profit</b>	<u>8,737</u>	<u>59,307</u>
<b>Add: Other income</b>		
Foreign exchange gain	3,445	5,385
Other income	3,570	-
Reimbursable expenses	16,675	-
	<u>23,690</u>	<u>5,385</u>
<b>Less: Administrative and other operating expenses</b>		
Audit fees	1,200	4,800
Bank charges	1,034	1,155
Insurance	139	327
Legal fees	1,000	3,600
Outside services	1,545	-
Provision for estimated credit losses	5,457	-
Tax fee	156	-
Withholding tax	-	24,014
	<u>10,533</u>	<u>33,896</u>
<b>Profit before income tax</b>	<u>21,894</u>	<u>30,796</u>

*The above statement does not form part of the audited financial statements.*