ALZYS

BETTER TRADE FOR A BETTER WORLD.

ANNUAL REPORT 2018

www.alzys.sg

The world is changing before our eyes. Occasionally, the changes are minor, imperceptible; at times they are extensive. The world can be considered a living thing - change and growth are only natural. In order to contend with the rapidly-evolving world around us, it is important to embrace transformation and adapt to the changing times. Transformation is essential to generate new value, unlock new opportunities, drive growth and deliver opportunities and efficiencies.

Transformations require thinking big, because incremental improvements are not enough to succeed in today's exponentially disrupted business environment.

This annual report is a testament to the transformation that we have undertaken and undergone over the last twelve months, starting with the change of our name from Aluzinc Asia to Alzys Global, and our entry into newer commodity segments like paper products.

ADVANCING TRADE. TRANSFORMING LIVES.

The rise of China and Asia, punitive tariffs by several nations, environmental policies and authoritarian regimes are changing the trade dynamics internationally. The response time for companies engaged in trade is shrinking; these companies have to be alert round-the-clock.

Our team of professionals who are the best and the brightest in the business bring unmatched expertise and rapid response thereby enabling us to be a solution provider with high technical and commercial expertise across our product portfolio.

THE ALZYS JOURNEY OF TRANSFORMATION AND DIVERSIFICATION.

ALUZINC ASIA
building TRUST

ALZYS
BETTER TRADE. BETTER WORLD.

The world is getting smaller, smarter, closer and more connected now. And the opportunities are greater than ever. From Asia to Central America, we have left our footprints in the commodity trading sector while assisting our clients with on-spec requirements. Over the years, we have matured as an organisation and are neither restricted to Asia as a geography nor Aluzinc as a product.

From our modest origins in 2007, we have evolved to playing an increasingly significant role in the global commodity trade by diversifying into newer markets and tapping into varied commodities. We are helping markets come closer, and accessing resources from neighbouring and far-off nations and traders.

We have the opportunity to create a new, trader-and-business friendly world. Our new name and identity is a testament towards our core belief – to enable better trade for a smarter world.

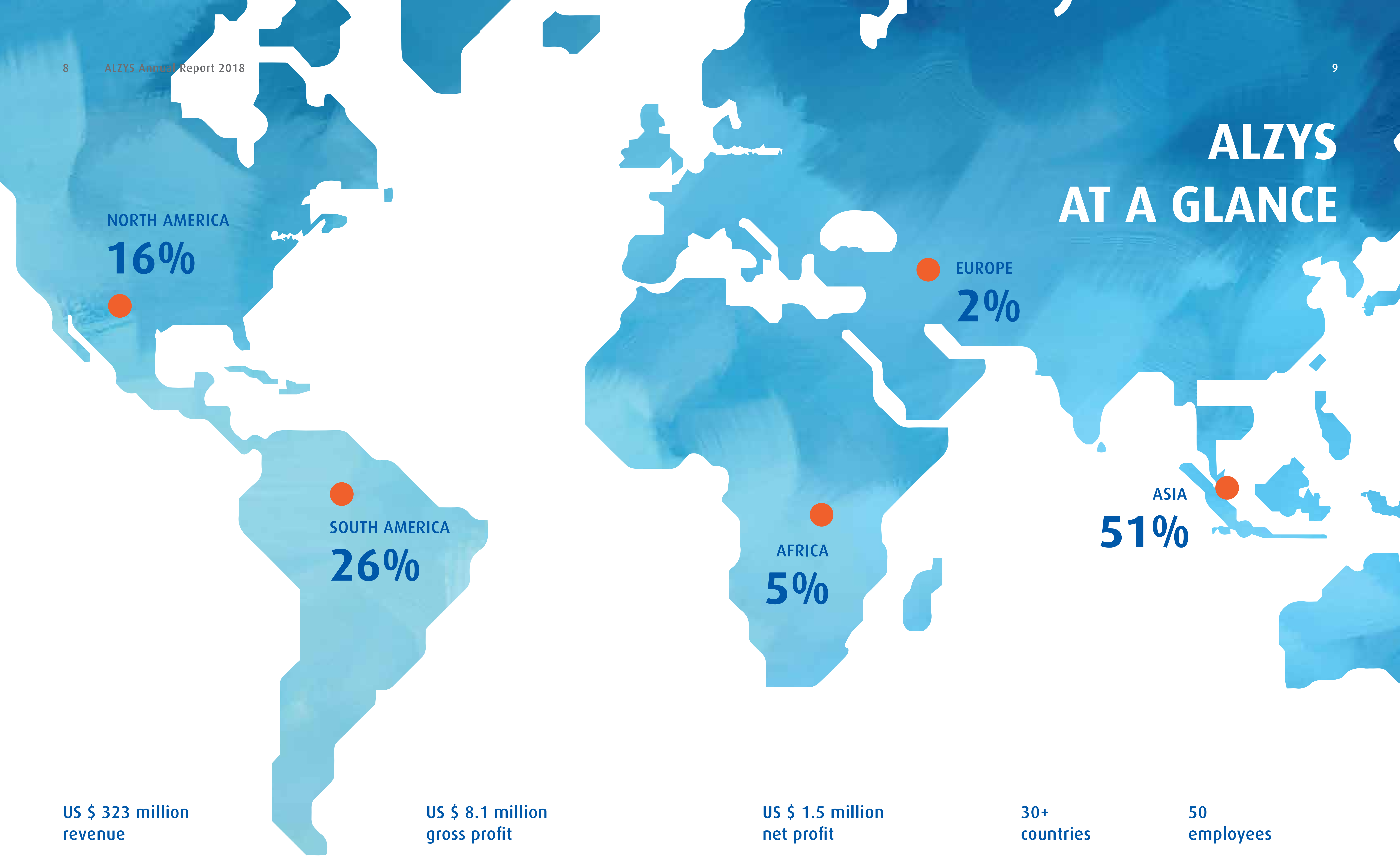
DIVERSIFICATION INTO PAPER PRODUCTS

Rapidly changing dynamics in production of paper and related products are being influenced by enhanced demand in emerging markets in the Asia-Pacific, Africa and South America regions. This, coupled with increasing production, especially in the Asia-Pacific region offsets the small decline in production in the United States and Canada, and presents an excellent opportunity to enable trade across these regions.

Alzys Global is perfectly placed to reap benefits from these changing landscapes, actively involved as we are in these vibrant regions. In each unique market, with the help of our local professionals, we adapt ourselves swiftly to the demands. This enables us to give local service with global scales and standards.

With our foray into paper products, we strive to bring our vigour, operational experience, drive for excellence, and keen attention to ensure long-term value to our partners.

ALZYS AT A GLANCE



US $ 323 million revenue

US $ 8.1 million gross profit

US $ 1.5 million net profit

30+ countries

50 employees

OUR DEEP UNDERSTANDING OF INTERNATIONAL TRADE ALLOWS US TO BRIDGE SUPPLIERS AND CUSTOMERS BY PROVIDING THEM WITH EXTENSIVE LOGISTICAL AND FINANCIAL SOLUTIONS FOR EACH TRANSACTION.

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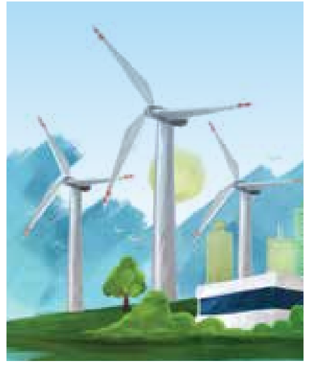

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FROM THE CO CEO'S DESK

PRABHU SATHYAMOORTHY
President

RAJESH BALASUBRAMANIAN
CEO & Managing Director

Dear Friends,

Let me start with a quote and a story:

"Every morning in Africa, a gazelle wakes up, it knows it must outrun the fastest lion or it will be killed. Every morning in Africa, a lion wakes up. It knows it must run faster than the slowest gazelle, or it will starve. It doesn't matter whether you're the lion or a gazelle-when the sun comes up, you'd better be running." – Christopher McDougall

2018 will be remembered as a year that presented the world with unprecedented challenges, and redefined risk management in many ways.
Well-prepared strategies were tested and humbled by events which unravelled at a blistering pace on the global economy. Trade wars, currency pressures, political risks and commodity price fluctuations were some of the stumbling blocks trading companies faced.

"I ask not for a lighter burden but a broader shoulder" – Jewish Proverb

The management of Alzys feel that the time is ripe to consolidate the strengths of the organization and prepare it to face the future from a stronger foundation. The management concluded a management buyout to demonstrate shareholder confidence in the business model and the inherent vigour in the company.

Converting every stumbling block into a stepping stone has prepared Alzys for a stronger future.

As a company spread across the world, we know that the sun is shining at one of our locations and we are ready to be up and running.

We look forward to continued support and guidance from each of you and are committed to share our success with you.

Sincerely,

Rajesh Balasubramanian
CEO & Managing Director

Prabhu Sathyamoorthy
President

HOW ALZYS CREATED VALUE FOR ITS CUSTOMERS IN 2018.

By bringing more value to our customers, stakeholders, employees and society in general, we have better positioned ourselves for growth and achieve our strategic vision of leading market positions by delivering an outstanding performance. And by continuing to innovate in order to supply more sustainable products and solutions for our customers, we create economic, environmental and social value. All these initiatives contribute to our financial performance and ultimately lead to more economic value for our investors.

2018 STATS

29.92%

REVENUE

Revenue for the year ending 2018 is at US $ 323 million which is higher by US $ 74 million against financial year 2017 of US $ 249 million.

0.63%

GROSS PROFIT

Gross Profit for the year ending 2018 is at US $ 8.06 million against financial year 2017 at US $ 8.01 million.

47.17%

NET PROFIT

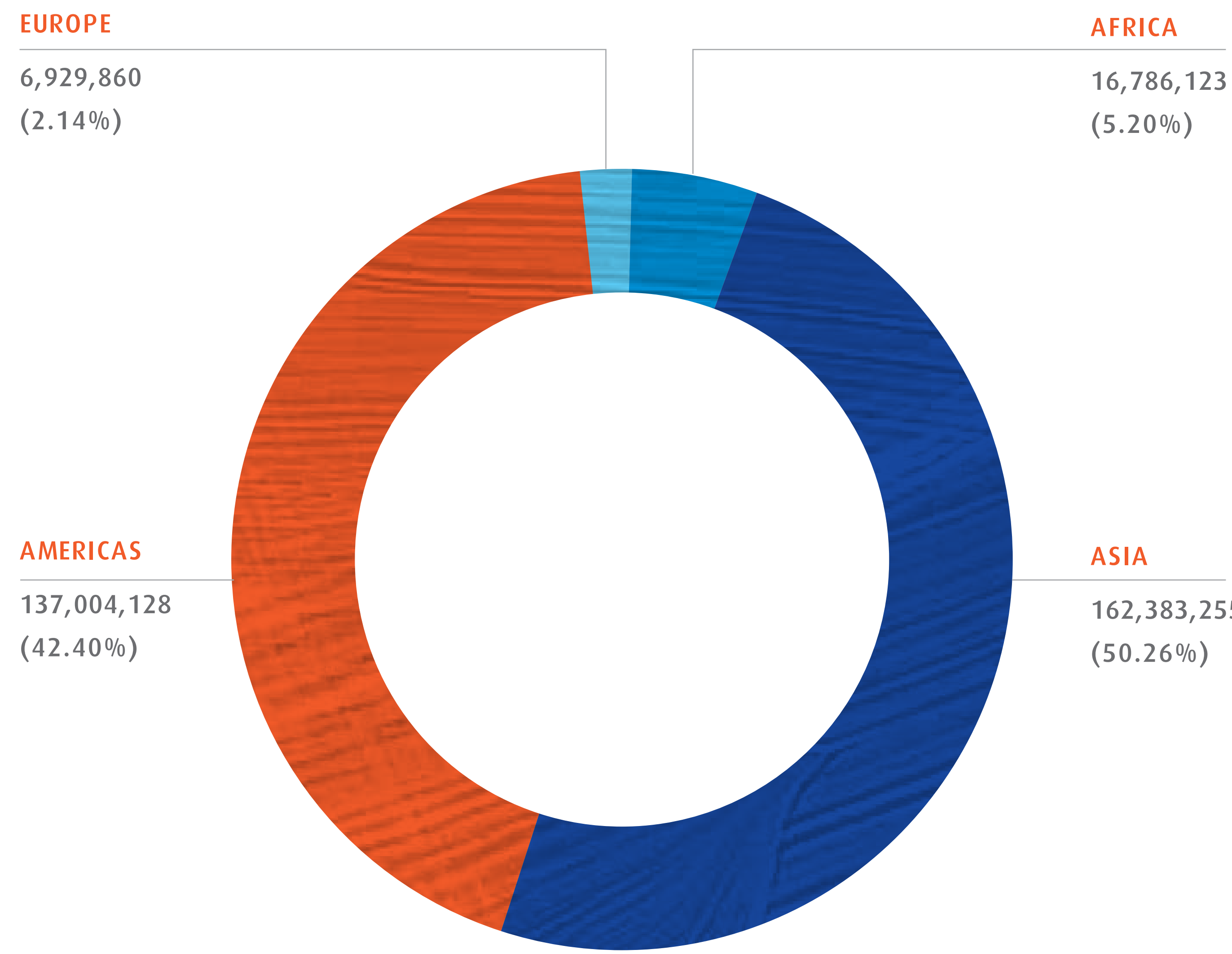
Net Profit for the year ending 2018 is at US $ 1.5 million which is higher by US $ 0.5 million against financial year 2017 of US $ 1 million.

29.92%

INCREASE IN SALES

Increase in Sales YOY of US $ 74 million was mainly contributed by Agri Products trades (soybean, cashew nut, palm oil & coal), along with increase in Copper and Steel businesses.

REGION WISE SALES IN 2018 (US $ 323,103,366)



WITH OUR RECENT FORAY INTO PAPER PRODUCTS, WE STRIVE TO BRING OUR VIGOUR, OPERATIONAL EXPERIENCE, DRIVE FOR EXCELLENCE, AND OUR ATTENTION TO BRING LONG-TERM VALUE TO OUR PARTNERS.

The global forestry industry continues to evolve rapidly. Inflationary pressure on the cost of raw materials, swiftly changing demand and supply conditions and continuing volatility in the global financial markets demand that customers and suppliers adapt to a changing marketplace quickly and effectively.

Considering these patterns, we have begun to deepen cooperation with traditional suppliers from Russia, Asia, the Scandinavian region along with the United States and Canada and have started to establish new agencies for paper coming from different parts of the world.

We support producers in promotion and marketing services, accurate market information, risk management, order tracking, invoicing and trade documentation, which contribute to our world class supply chain service operations. Our customers and suppliers are in Asia, Europe, South America and Africa and our associations are based on long term experience in the international trade.

We have close relationships with major shipping lines, forwarding companies, terminals and insurance companies which enable high-quality transportation at very competitive costs bringing to our clients myriad of alternatives regarding origin, delivery times and financing options. This enables us to work in close quarters with our customers and provide bespoke solutions to their ever growing and evolving needs.

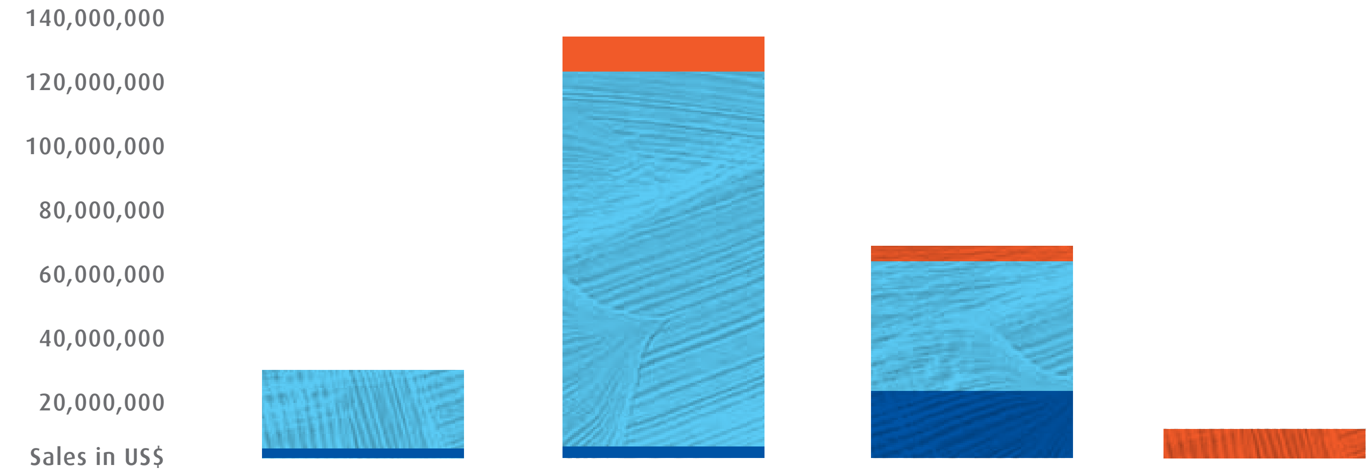
With this new and exciting venture, we remain committed to growth through diversification of our product portfolio enabled by our strategic allocation of our human and financial resources.

OUR ROAD TO SUSTAINABLE GROWTH

As a firm trading in basic commodities, environmental sustainability remains at the core of our business. We are aligned with FSC® & PEFC®, international and non-governmental organisation dedicated to promoting responsible management of the world's forests. It is our mission to maintain and promote sustainable business through fair and environmentally sound practices. Hence we make sure that our associate mills also comply to the norms set by FSC & PEFC.

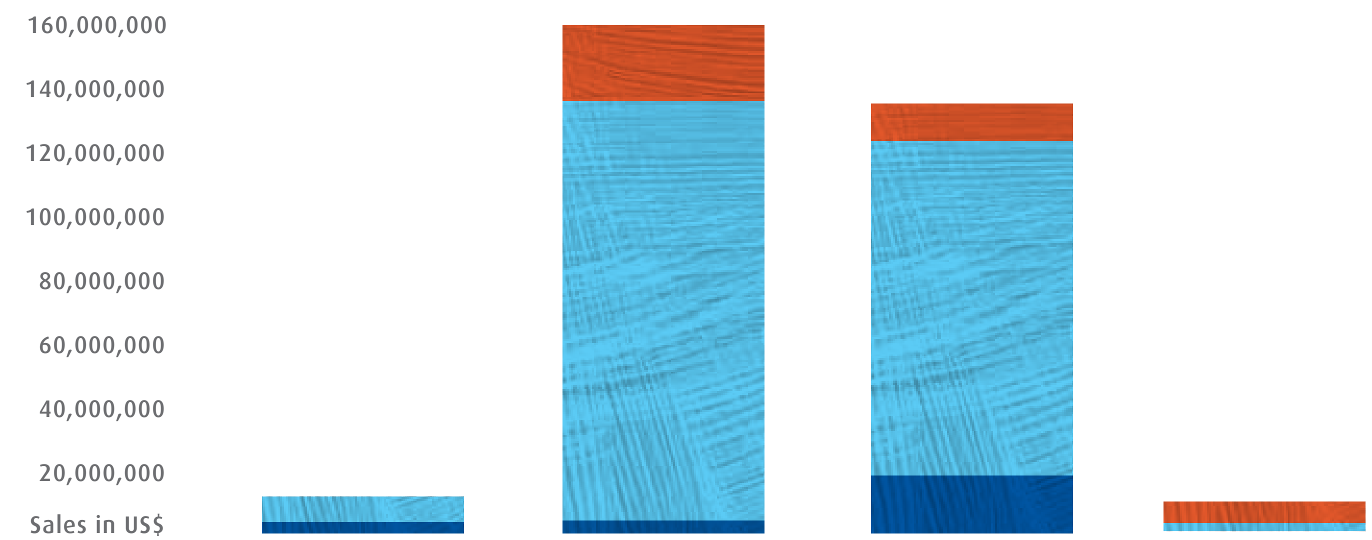
FINANCIAL PERFORMANCE IN 2018

ALUZINC ASIA SALES 2017 (US $ 248,695,218)



	AFRICA	ASIA	AMERICAS	EUROPE
OTHERS	-	15,385,193	2,356,828	5,966,134
STEEL	33,406,731	121,314,570	43,479,200	-
TEXTILE	77,934	196,597	26,512,031	-

ALUZINC ASIA SALES 2018 (US $ 323,103,366)



	AFRICA	ASIA	AMERICAS	EUROPE
OTHERS	-	25,549,182	12,996,619	6,908,438
STEEL	15,955,065	131,275,981	104,600,049	21,422
TEXTILE	831,058	5,558,092	19,407,460	-

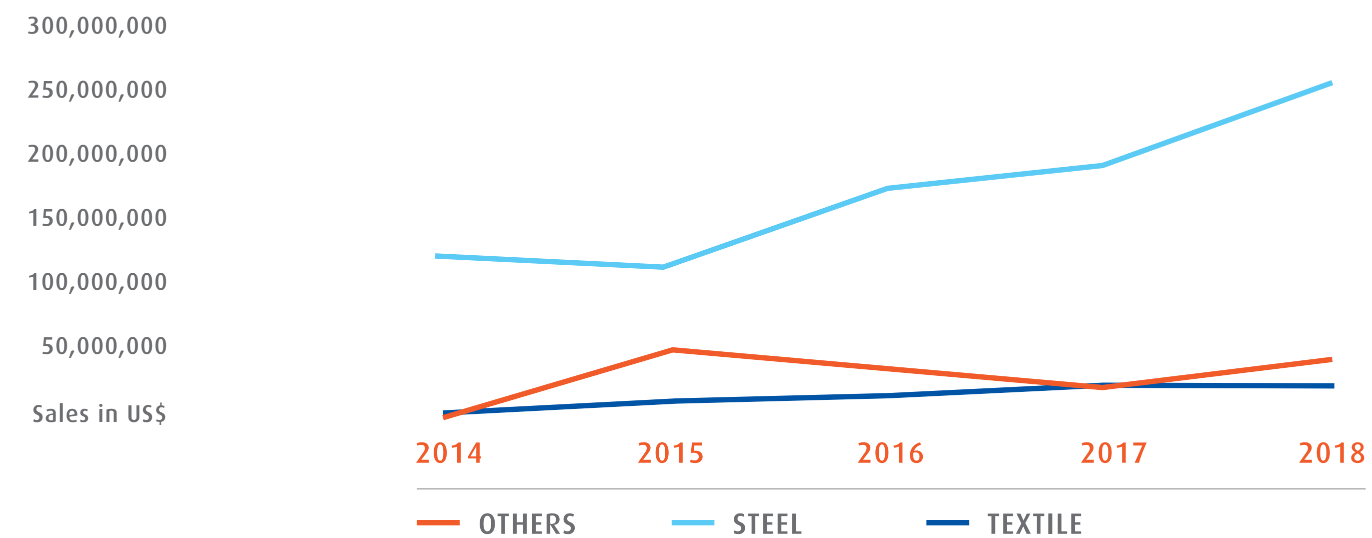
2018 IN REVIEW

The year 2018 has been a successful year where our core focus and strategy were to accelerate towards substantial growth. Our financials show an impressive growth in comparison to the previous years as there have been no shortcomings and our overall goal to sustain profitability has been achieved. Our extensive research and expertise in key areas have also enhanced our relationships with our customers and suppliers.

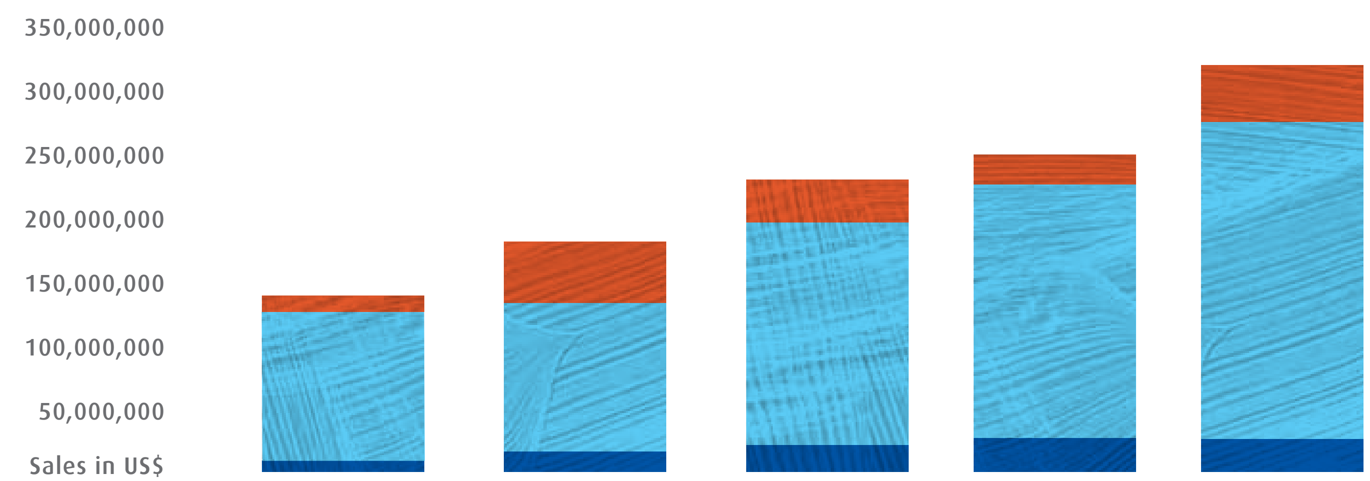
With the persistent efforts of our team, we have been able to revive and develop new markets in Africa and South America which were totally diminished due to economic conditions. This reflects our true nature of success in 2018.

BUSINESS REVIEW

YEAR ON YEAR SALES IN US $ (DIVISION WISE)



YEAR ON YEAR SALES IN US $ (DIVISION & REGION WISE)



	2014	2015	2016	2017	2018
OTHERS	4,457,659	49,627,574	38,452,124	23,708,155	45,454,240
STEEL	129,635,976	118,610,857	171,881,440	198,200,501	251,831,095
TEXTILE	8,908,418	16,478,836	20,362,898	26,786,562	25,818,032

MARKET RISK & CREDIT RISK

Our Market Risk team is made up of experienced commodity and risk professionals embedded in each business unit providing independent oversight and policy enforcement.

For 2018, the focus was on increasing effectiveness by improving process efficiency through :

a) Better deployment of our internal capabilities

b) Deepening our relationships with our current customers and ensuring all products have multiple customer base in each market.

c) Increased focused on risk-based returns, particularly for transactions that utilize significant amounts of our balance sheet capacity.

Alzys Global has an experienced team of risk analysts and managers who oversee the group's aggregate credit and market risk portfolio.

The portfolio is diversified along industry, product and geographic lines.

OUR 4 STAGE PROCESS TO ADDING VALUE TO COMMODITY TRADE

STAGE 1

IDENTIFYING NEED GAPS & REQUIREMENT

We thoroughly understand the customer's requirements and arrive at the optimum solutions mix involving the right supplier, the right financing option and the most appropriate risk control measures.

STAGE 2

MONITORING & EVALUATING RESULTS

We monitor and evaluate the results and modify the process to arrive at the most efficient program fulfilling all parameters

STAGE 3

PILOT RUN FOR FEASIBILITY

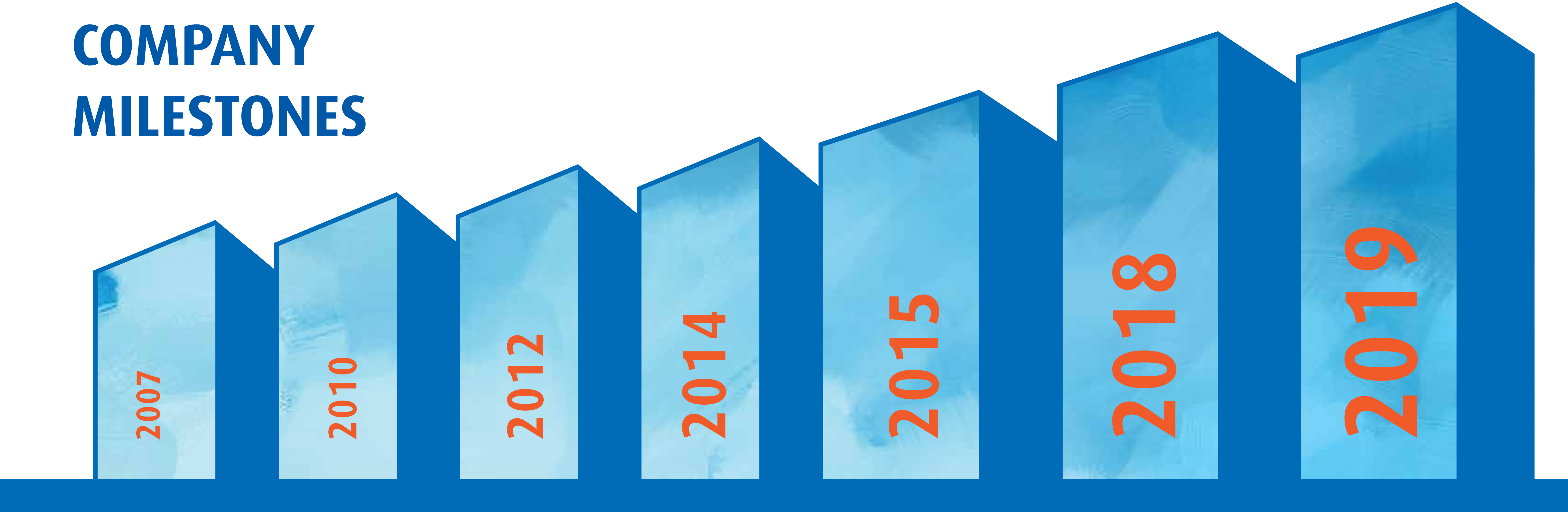
We run a pilot trade with the specific deliverables to ascertain the feasibility of the operations and identify / pre-empt any deviations from the actual plan.

STAGE 4

SUPPLY-CHAIN SOLUTION & MOVEMENT

We get the supply chain moving smoothly like well-oiled machinery without any variations in the operations.

COMPANY MILESTONES



Aluzinc Asia Pte. Ltd. incorporated in Singapore as a subsidiary of Aluzinc AG, Liechtenstein, for sales of flat steel in Africa.

Established a branch office in Peru for expansion into Latin American markets.

Sadoshima Corporation, Japan, partakes in Aluzinc Asia with 26.72%.

Set up the textile raw material business

Diversified into non-ferrous and agro commodities in South East Asia.

MBO - Blue Tag Holdings Pte. Ltd. buys out the entire Aluzinc AG Holding and 16.30% from Sadoshima Corporation.

Birth of ALZYS - Rechristened as Alzys Global Pte. Ltd. With a new shareholding structure of Blue Tag Holdings at 89.58% and Sadoshima Corp. at 10.42%. Further expansion into Europe.

CUSTOMER TESTIMONIAL

MR. RAMESH MANI
Tata International Ltd.

Tata International Ltd been associated as a customer with Alzys Global for over two years now.

During this brief period we have been able to conduct sizable business with the help of each other from and to different geographies mainly for steel products. Our association with Alzys has been mutually beneficial and fruitful. Notwithstanding the volatility that exist in the current market situation, we sincerely look forward to shaping our joint strategy to ensure that the existing business grows further significantly in the very near future.

The Management team of Alzys have been extremely professional in terms of meeting their commitments and we are now working together to take our business relationship to the next level.

We wish them the very best in all their future endeavours and also convey our good wishes to the entire Alzys team.

SUPPLIER TESTIMONIAL

MR. JIANG YUXIANG (JAMES)
China Chengtong International Co. Ltd.

China Chengtong has been working with Alzys Global (formerly Aluzinc Asia) since 2014. We started with small volumes and over the years we've grown together exponentially with Alzys and its customers in several new geographies. Our journey together has been a very pleasant one and we have practically grown together in the business. In 2014, we were also a fairly new team and most of the international markets were new to us. We sought a reliable partner who could manage the risks in various geographies so that we could focus on our core business of managing the supplies from China.

I believe this worked out well for both of us since Alzys, at that particular period, was also looking for a meaningful supply chain partner – a partner who could manage the various qualities and meet strict shipment timelines. Over the years, we have built great teamwork and coordination with them, which is why Alzys has become one of our most important customers. Likewise, I believe that we are an important supplier for Alzys. We look forward to a bright future and exploring greener pastures with them.

APPRECIATIONS

Alzys Global has brought us excellent attention and follow up. They know about the markets and advice us at the right time too. They address issues if any at the earliest and that helps us be secure about the orders.

ELIANA OSINAGA
Manages import for a Bolivian Steel company

In all the time we have worked with Alzys, we have had excellent service and optimum product quality. We have no doubt that the relation between us, our company and Alzys will only strengthen in the coming months and we are looking forward to being their strategic partner in this country.

ALONSO MORA
Promoter of a Costa Rican Steel company

Alzys Global and its people have always been available for all our queries and issues with any contracts, even in topics that I am not well-versed with. They advice us on how to make the most well-informed decision. This has always led to a very smooth flow of communication where both the companies complement each other.

FLAVIO GABANCHO
Chief of Strategic Imports for a Peruvian Steel company

We have been working in collaboration with Aluzinc Asia / Alzys Global team for the abrasion resistant wear plates for our mining business over the last 5 years. During this period the team showed high level of professionalism. We depend on their expertise and contributions for providing the resources at a reasonable rate.

NISHAZ HUSSEIN
Director of a Tanzanian Steel company

It has been a pleasure to work with Aluzinc Asia / Alzys Global. Their follow up and attention to detail has been exceptional for all our shipments which has helped us focus on our internal aspects and grow at a great pace.

CAROLINA PINEDA
Strategic Imports, a Honduras-based Steel company

It was really a great experience to be associated with the team at Aluzinc Asia /Alzys Global for last eight years. They took the time to understand our complex manufacturing business model and delivered a financial structure tailored to ensure the best possible outcome for our group.

FREDDIE DE KOCK
Managing director of a South African Steel company

We continue to procure our raw material from Alzys Global for their consistent quality of raw materials and prompt services. Being in Mexico which is geographically very far, it is very difficult to procure raw material from a very reliable source in Asia. This is where Alzys Global has perfectly bridged the gap and given us peace of mind.

JORGE RODRIGUEZ
Owner of a Mexican Textile company

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DIRECTOR'S STATEMENT

The directors are pleased to present their statement to the members of the Company together with the audited financial statements for the financial year ended 31 December 2018.

OPINION OF THE DIRECTORS

In the opinion of the directors:

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in equity and cash flowsof the Company for the 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 in office at the date of this statement are:
Sanjay OM Parkash Sharma
Sathyamoorthy Prabhu
Rajesh Balasubramanian

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

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 or debentures of the Company or any other body corporate.

DIRECTOR'S INTEREST IN SHARES OR DEBENTURES

None of the directors holding office at the end of the financial year had interest in the share capital of the Company as recorded in the register of directors' shareholdings kept by the Company or its related corporations under Section 164 of the Companies Act, Cap. 50, except as follows:

Holdings registered in the name of the director
At the beginning of the financial year or date of appointment, if later At the end of financial year
Name of Director
Holding Company
Bluetag Holdings Pte. Ltd.
(no. of ordinary shares)

Sathyamoorthy Prabhu	-	1
Rajesh Balasubramanian	-	1

SHARE OPTIONS

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

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

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

AUDITORS

The auditors, Messrs Everest Assurance PAC, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Rajesh Balasubramanian
Director

Prabhu Sathyamoorthy
Director

Singapore, 15 May 2019

AUDITOR'S REPORT STATEMENT TO THE DIRECTORS

EVEREST

Everest Assurance PAC
Public Accountants and
Chartered Accountants
Co. Regn. No. 201610716D

Independent Auditor's Report
To the Shareholders of Alzys Global Pte. Ltd.(formerly known as Aluzinc Asia Pte. Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alzys Global Pte. Ltd. (formerly known as Aluzinc Asia Pte. Ltd.) (the Company), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 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 on the financial statement, 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 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 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 aud procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate toprovide 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.

- 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 Patel Anand Ramesh Chandra.

Everest Assurance PAC

EVEREST ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
14 May 2019

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018 (Expressed in United States Dollars)

	NOTE	2018	2017
		US$	US$
EQUITY			
Share Capital	4	5,067,926	5,067,926
Retained Earnings		4,293,992	2,836,522
		9,361,918	7,904,448
Represented by:			
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	69,989	161,526
		69,989	161,526
CURRENT ASSETS			
Trade Receivables	6	63,173,857	41,751,304
Other Current Assets	7	2,113,314	893,526
Prepayments		8,406	28,317
Cash and Bank Balances	8	3,467,902	2,765,114
		68,763,479	45,438,261
CURRENT LIABILITIES			
Trade Payables	10	56,833,775	35,027,857
Other Payables	11	2,254,396	2,347,549
Derivative Financial Instruments	9	-	20,493
Finance Leases	12	15,641	15,971
Current Tax Payable	18	304,309	204,000
		59,408,121	37,615,870
Net Current Assets		9,355,358	7,822,391
NON-CURRENT LIABILITIES			
Finance Leases	12	58,130	74,170
Deferred Tax Liabilities	21	5,299	5,299
		63,429	79,469
		9,361,918	7,904,448

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2018 (Expressed in United States Dollars)

	NOTE	2018 US$	2017 US$
CONTINUING OPERATIONS			
Revenue	13	323,103,367	248,695,218
Cost of Sales		(315,034,806)	(240,677,076)
Gross Profit		8,068,561	8,018,142
OTHER INCOME	14	16,777	92,843
Administrative Expenses	15	(3,435,656)	(3,489,740)
Other Operating Expenses	16	(2,684,485)	(3,020,016)
Finance Expenses	17	(307,727)	(410,367)
Profit before tax	19	1,657,470	1,190,862
INCOME TAX EXPENSES	20	(200,000)	(200,500)
Profit for the year, representing Total Comprehensive Income for the year		1,457,470	990,362

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2018 (Expressed in United States Dollars)

	SHARE CAPITAL US$	RETAINED EARNINGS US$	TOTAL US$
Balance as on 1 January 2017	5,067,926	1,846,160	6,914,086
Total Comprehensive income for the year	-	990,362	990,362
Balance as on 31 December 2017	5,067,926	2,836,522	7,904,448
Total Comprehensive income for the year	-	1,457,470	1,457,470
Balance as on 31 December 2018	5,067,926	4,293,992	9,361,918

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2018 (Expressed in United States Dollars)

	2018 US$	2017 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year	1,673,331	1,190,862
Adjustments for:		
Depreciation	95,416	108,788
Loss on derivative financial instruments	-	98,159
Interest Expenses	307,727	410,367
Interest Income	-	(231)
Operating cash flows before movements in working capital	2,076,474	1,807,945
MOVEMENTS IN WORKING CAPITAL		
Trade Receivables	(21,422,553)	4,407,502
Other Current Assets	(1,219,788)	7,102,988
Prepayments	19,911	27,963
Trade Payables	21,882,750	(14,820,840)
Other Payables	(190,478)	(259,891)
CASH GENERATED USED IN OPERATIONS	1,146,316	(1,734,333)
Income taxes paid - net	(115,552)	(45,070)
Interest paid	(305,166)	(410,367)
NET CASH USED IN OPERATING ACTIVITIES	725,598	(2,189,770)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	-	231
Purchase of Plant and Equipment	(3,879)	(21,297)
NET CASH USED IN INVESTING ACTIVITIES	(3,879)	(21,066)
CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of deposits for banking facilities	394,405	1,321,746
(Repayments)/Proceeds from finance lease	(18,931)	(15,426)
NET CASH GENERATED FROM FINANCING ACTIVITIES	375,474	1,306,320
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	1,097,193	(904,516)
Cash and cash equivalents at the beginning of year	2,178,545	3,083,061
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 8)	3,275,738	2,178,545

Reconciliation of liabilities arising from financing activities -

	1 January 2018	Principal and interest payments	Interest expense	Foreign exchange movement	31 December 2018
Lease liabilities	90,141	18,931	2,561	-	73,771

(The accompanying accounting policies and explanatory notes form an integral part of the financial statements)

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

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

1. GENERAL AND PRINCIPAL ACTIVITIES

The Company is domiciled and incorporated in the Republic of Singapore. The registered address of the Company is:

112 Robinson Road
#13-03 Robinson 112
Singapore 068902

The principal activities of the Company are those of General Wholesale Trade (Including General Importers and Exporters) in relation to supply of steel, textiles, machineries and raw materials.

There has been no change in the business activities of the Company since the end of the last financial year.

The company is subsidiary of Bluetag Holdings Pte. Ltd., a company incorporated in the Republic of Singapore

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 15 May 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on a historical cost basis, except where otherwise disclosed in the notes hereto.

The financial statements are presented in United States Dollars (US$), which is the Company's functional currency. All financial information presented in United States Dollars has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2018. Except for the doption of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

FRS 109 Financial Instruments

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

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

There is no impact of adopting FRS 109 as at 1 January 2018.

(a) Classification and measurement

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

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

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

Trade and other receivables classified as loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 January 2018.

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

(b) Impairment

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

Upon adoption of FRS 109, there is no additional recognition of impairment of on the Company's trade receivables.

FRS 115 Revenue from Contracts with Customers

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

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

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

The adoption of FRS 115 did not have a material impact on other comprehensive income or the Company's operating, investing and financing cash flows.

2.3 Standards issued but not yet effective

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

Description Effective for annual periods beginning on or after

FRS 116 Leases 1 January 2019

INT FRS 123 Uncertainty

over Income Tax Treatments 1 January 2019

Annual Improvements to FRSs (March 2018) 1 January 2019

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

FRS 116 Leases

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

At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of FRS 116, the Company expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019;

or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Company plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company had not applied any new FRS and INT FRS that had been issued as at the balance sheet date but is not yet effective. The directors do not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any materialimpact on the Company's financial statements in the period of initial application.

2.4 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 end of the reporting period are recognised in profit or loss.

2.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an item of plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with them will flow to the Company and the cost of an item can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When the parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the income statement as incurred.

Depreciation on plant and equipment is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment as stated hereunder:

Computers	3 years
Software and Licensing	3 years
Equipment	3 years

Furniture	3 years
Motor Vehicles	3 years
Renovation	3 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each balance sheet date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.6 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

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

2.7 Financial instruments

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

a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other

comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

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

b) Financial liabilities
Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.
All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.
Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.
All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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.

Derecognition

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

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

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

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

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised I profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise loan to the holding company, trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets which are not classified as held-to-maturity investments, loans and receivables or financial assets at FVPL.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised when 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, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Such financial liabilities comprise trade and other payables, and borrowings.

Derecognition

A financial liability is derecognised 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 an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.8 Impairment of financial assets

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

1 January 2018:

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

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

(a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default

(a lifetime ECL).

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

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

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdraft that form an integral part of the Company's cash management.

2.10 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligationand the amount of the obligation can be estimated reliably. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Share capital

Ordinary shares are classified as equity and dividends on ordinary shares are recognised in the period in which they are declared.

2.12 Leases as Lessee

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 Revenue recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018:

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.

(a) Sale of commodities

The Company sells commodities (copper, agri products, coal, oil, textile and raw materials). Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the transaction price. Based on the Company's experience with similar types of contracts.

(b) Interest Income
Interest income is recognised as it accrues, using the effective interest method.

(c) Other Income
Other Income is recognised on accrual basis.

These accounting policies are applied before the initial application date of FRS 115, 1 January 2018:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Goods Sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

2.14 Employee benefits

a) Defined contribution plans
The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 Taxes

(a) 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.

(b) 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.

2.15 Related party

A related party is defined as follows:

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

a) Has control or joint control over the Company;

b) Has significant influence over the Company;
or
c) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following applies:

a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

c) Both entities are joint ventures of the same third party;

d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

f) The entity is controlled or jointly controlled by a person identified in (i) above;

g) A person identified in (i)a) above has significant influence over the entity or is a member of the key management personnel or the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Company, judgement 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 mainl determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected credit losses of trade 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 ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of 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 24(a).
The carrying amount of the Company's trade receivables as at 31 December 2018 was US$63,173,857 (2017: US$41,751,304).

(b) Income Taxes

Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations 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 recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Company's tax payable is US$ 304,309
(2017: US$ 204,000).

4 SHARE CAPITAL

	2018 US$	2017 US$
Issued and Fully Paid-up Capital 3,742,853 Ordinary shares with no par value	5,067,926	5,067,926

The holders of ordinary shares are entitled to receive dividends as and when declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to residual assets of the Company.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

5 PROPERTY, PLANT AND EQUIPMENT

	COMPUTERS US$	SOFTWARE AND LICENSING US$	EQUIPMENT US$	FURNITURE US$	RENOVATION US$	MOTOR Vehicles US$	TOTAL US$
COST							
As at 01 Jan 2017	62,260	165,326	16,957	4,873	31,776	182,337	470,529
Additions	16,958	865	-	2,300	1,174	-	21,297
Disposals	-	-	-	-	-	-	-
As at 31 Dec 2017	86,218	166,191	16,957	7,173	32,950	182,337	491,826
Additions	3,879	-	-	-	-	-	3,879
Disposals	-	-	-	-	-	-	-
As at 31 Dec 2018	90,097	166,191	16,957	7,173	32,950	182,337	495,705
ACCUMULATED DEPRECIATION							
As at 01 Jan 2017	45,510	112,185	12,772	4,873	30,977	15,195	221,512
Additions	18,479	26,262	1,530	548	1,190	60,779	108,788
Disposals	-	-	-	-	-	-	-
As at 31 Dec 2017	63,989	138,447	14,302	5,421	32,167	75,974	330,300
Additions	13,927	18,080	1,472	767	391	60,779	95,416
Disposals	-	-	-	-	-	-	-
As at 31 Dec 2018	77,916	156,527	15,774	6,188	32,558	136,753	425,716
CARRYING AMOUNT							
As at 31 Dec 2018	12,181	9,664	1,183	985	392	45,584	69,989
As at 31 Dec 2017	22,229	27,744	2,655	1,752	783	106,363	161,526

As at the end of financial year The Company has motor vehicle acquired under finance lease contracts with a net book value of US$ 45,584 (2017: US$ 106,363) (Note 12).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

6 TRADE RECEIVABLETS

	2018 US$	2017 US$
Third Parties	63,173,857	41,751,304

Trade receivables are non-interest bearing and are generally on 30 to 180 days' credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. No interest is charged on the outstanding balance.

Allowance for expected credit losses

There are no expected credit losses recognised in the profit or loss for the year ended 31 December 2018.

Receivables that are past due but not impaired

The Company has trade receivables amounting to US$ 8,196,490 (2017: US$ 15,455,396) that are past due but not impaired at the end of the reporting period. The analysis of their ageing at the end of the reporting period is set out below. The Company has not recognised an allowance for doubtful receivables as there has been no significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

	2018 US$	2017 US$
Less than 3 months	8,196,490	15,229,650
3 to 6 months	-	225,746
	8,196,490	15,455,396

The details of the credit exposure are disclosed in Note 25.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for trade receivables.

Trade receivables are denominated in United States dollars only.

7 OTHER CURRENT ASSETS

	2018 US$	2017 US$
Advances to suppliers	1,916,412	695,553
Deposits	196,823	197,973
Others	79	-
	2,113,314	893,526

The Company had deposits that are refundable upon expiry of lease agreements.

Advances paid to suppliers will be offset against future purchases form the suppliers.

The details of the credit exposure are disclosed in Note 25.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Other current assets are denominated in United States dollars only.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

8 CASH AND BANK BALANCES

	2018 US$	2017 US$
Cash at bank	3,274,500	2,178,504
Cash on hand	1,238	41
Fixed Deposits	192,164	586,569
	3,467,902	2,765,114
Less: Deposits placed for banking facilities	(192,164)	(586,569)
Cash and cash equivalents	3,275,738	2,178,545

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and bank balances denominated in foreign currencies at 31 December are as follows:

	2018 US$	2017 US$
Singapore Dollars	65,515	222,075
United States Dollars	3,370,149	2,475,814
Euro	32,238	67,225
	3,467,902	2,765,114

9 DERIVATIVE FINANCIAL INSTRUMENTS

	2018 Assets US$	2018 Liabilities US$	2017 Assets US$	2017 Liabilities US$
Foreign Exchange Forward Contracts	-	-	-	20,493

	Foreign Currency		Contract Value		Fair Value	
	2018	2017	2018 US$	2017 US$	2018 US$	2017 US$
Sell Euro	-	447,271	-	517,940	-	(20,493)

The fair value of these foreign exchange forward contracts are estimated based on forward exchange rates and contract forward rates.

The changes in fair value of the foreign exchange forward contract amounting to gain of US$20,481 (2017: loss of US$ 98,159) has been taken up in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

10 TRADE PAYABLES

	2018 US$	2017 US$
Third Parties	56,833,775	35,027,857

Trade payables are non-interest bearing and are normally settled on an average of 150 days (2016: 150 days).

Trade payables denominated in foreign currencies at 31 December are as follows:

	2018 US$	2017 US$
Singapore Dollars	-	128,235
United States Dollars	56,833,775	34,899,622
	56,833,775	35,027,857

11 OTHER PAYABLES

	2018 US$	2017 US$
Advances from customers	1,349,460	1,769,323
Accruals	821,194	227,376
Other Creditors	83,742	350,850
	2,254,396	2,347,549

Other payables are non-interest bearing and are normally settled on an average of 30 to 60 days (2017: 30 to 60 days).

Advances from customers are unsecured and interest free and will be offset against their future transactions.

Other payables denominated in foreign currencies at 31 December are as follows:

	2018 US$	2017 US$
Singapore Dollars	158,190	43,728
United States Dollars	2,096,206	2,303,821
	2,254,396	2,347,549

12 FINANCE LEASES

	2018			2017		
	PRINCIPAL US$	INTEREST US$	PAYMENTS US$	PRINCIPAL US$	INTEREST US$	PAYMENTS US$
Payable within one year	16,427	2,257	18,684	15,971	3,107	19,078
Payable after one year but not more than five years	57,344	12,702	70,046	63,884	12,430	76,314
Payable after five years	-	-	-	10,286	1,941	12,227
Total	73,771	14,959	88,730	90,141	17,478	107,619

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

13 REVENUE

(a) Disaggregation of revenue

	2018 US$	2017 US$
Types of good or service		
Sale of commodities	323,103,367	248,695,218
Timing of transfer of good or service		
At a point in time	323,103,367	248,695,218

14 OTHER INCOME

	2018 US$	2017 US$
Interest Income	-	231
Others	16,777	92,612
	16,777	92,843

15 ADMINISTRATIVE EXPENSES

	2018 US$	2017 US$
Bank Charges	1,004,567	1,223,259
Agents Commission	171,020	131,763
Office Management Fees	464,816	382,367
Insurance	26,247	21,790
Professional Fee	884,243	710,151
Rental Expense	130,941	129,539
Travelling and Transportation Expenses	569,501	636,500
Repair and Maintenance Expenses	70,697	115,591
Telecommunication Expenses	64,138	91,502
Other	49,486	47,278
	3,435,656	3,489,740

16 OTHER OPERATING EXPENSES

	2018 US$	2017 US$
Entertainment	181,258	417,890
Employee benefit expense	2,185,700	2,239,672
Net foreign exchange currency loss	46,826	21,577
Others	270,701	340,877
	2,684,485	3,020,016

NOTES TO FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

17 FINANCE EXPENSES

	2018	2017
	US$	US$
Interest on term bills	305,166	407,362
Interest on short-term borrowings	2,561	3,005
Interest expense on financial liabilities not measured at fair value through profit or loss	307,727	410,367

18 EMPLOYEE BENEFIT EXPENSES

	2018	2017
	US$	US$
Directors remuneration	924,506	902,534
Contributions to Central Provident Fund - Directors	12,654	12,591
Staff salaries and bonus	1,181,887	1,229,292
Contributions to Central Provident Fund - Staff	66,652	95,255
	2,185,699	2,239,672

19 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2018	2017
	US$	US$
Employee benefit expenses (Note 18)	2,185,699	2,239,672
Depreciation	95,416	108,788
Net foreign exchange currency loss	46,826	21,577
Rental of office	127,519	124,027

20 INCOME TAX EXPENSE

	2018	2017
	US$	US$
Income Statement:		
Current income tax	200,000	204,000
Under/(over) provision of tax in prior year	-	(3,500)
	200,000	200,500

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2017:17%) to profit before income tax as a result of the following:

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2017:17%) to profit before income tax as a result of the following:

	2018	2017
	US$	US$
Accounting profit before tax	1,673,331	1,190,862
Income tax expense at statutory rate	284,466	202,447
Tax Effects of:		-
Non-taxable income	-	(20,330)
- Non-allowable items	4,200	13,964
- Tax concessions	(148,549)	(104,205)
- Effect of partial tax exemption	(19,212)	(35,154)
- Corporate tax rebate	(7,411)	(10,910)
- Others	86,506	161,688
Over provision of tax in prior year	-	(3,500)
Income tax expense recognised in profit or loss	200,000	204,000

On 10 February 2011, the Company was granted Global Trader Programme ("GTP") status by The International Enterprise Singapore Board for a period of 2 years 11 months from 1 February 2011. As such, the income derived from qualifying transactions of approved products by the Company shall be taxed at the concessionary rate of 10%. On 6 February 2014, the Company has received a letter from The International Enterprise Singapore Board for the renewal of the GTP status for another period of 5 years from 1 January 2014. The status is renewed from financial year 2019 for another 5 years.

The Singapore Government has announced that for Years of Assessment ("YA") 2019 and 2018, all companies will receive a 20% and 40% Corporate Income Tax ("CIT") Rebate that is subject to a cap of S$10,000 and S$15,000 respectively

21 DEFERRED TAX ASSET / (LIABILITY)

	US$
As at 1 January 2017	(5,299)
Charged to profit or loss account	-
As at 31 December 2017	(5,299)
Charged to profit or loss account	-
As at 31 December 2018	(5,299)

22 COMMITMENTS

(a)Operating lease commitments – as lessee

The Company leases the office premise which have a tenure of four years with an option to renew the lease after that date. The future minimum rental payable contracted for at the reporting date but not recognised as liabilities are as follows:

	2018	2017
	US$	US$
Payable within one year	84,774	116,166
Payable after one year but within 5 years	80,900	222,651
	165,674	338,817

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2018 amount to US$127,519 (2017: US$124,027).

(b) Finance lease commitments – as lessee
The Company leases its motor vehicle. This lease is classified as finance lease and have a remaining lease terms of 5 years.

The future minimum lease payments under finance leases and its present values are as follows:

	Minimum lease payment	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
	2018	**2017**	**2018**	**2017**
	US$	US$	US$	US$
Not later than one year	18,684	19,078	16,427	15,971
Later than one year but not later than five years	70,046	76,314	57,344	63,884
Payable after five years	-	12,227	-	10,286
Total minimum lease payments	88,730	107,619	73,771	90,141
Future finance charges	(14,959)	(17,478)	-	-
Present value of minimum lease payments	73,771	90,141	73,771	90,141
Portion classified as current liabilities	(16,427)	(15,971)	(16,427)	(15,971)
Non-current portion	57,344	74,170	57,344	74,170

23 RELATED PARTY TRANSACTIONS

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

a) Sale and purchase of goods and services

	2018	**2017**
	US$	US$
Purchase of goods and services	1,248,040	10,652,397
Sale of goods and services	-	2,735,214
Consultancy	34,945	-

b)Compensation of key management personnel

	2018	**2017**
	US$	US$
Short-term benefits	924,506	902,534
Post-employment benefits	12,654	12,591
	937,160	915,125

23 CATEGORIES OF FINANCIAL INSTRUMENTS

At the reporting date, the aggregate carrying amounts of financial instruments were as follows:

	2018	**2017**
Financial Assets	US$	US$
Trade Receivables	63,173,857	41,751,304
Other Current Assets	2,113,314	893,526
Cash and Bank Balances	3,467,902	2,765,114
	68,755,073	45,409,944

	2018	**2017**
Financial Liabilities	US$	US$
Trade Payables	56,833,775	35,027,857
Other Payables	1,433,202	2,120,173
Derivative financial instruments at fair value	-	20,493
Finance Leases	73,771	90,141
	58,340,748	37,258,664

25 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate 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 abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(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's exposure to credit risk arises primarily from trade and other receivables and loan to the holding company. For other financial assets (including investment securities and cash), 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.

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

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-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 30 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.

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

CATEGORY	DEFINITION OF CATEGORY	BASIS FOR RECOGNISING EXPECTED CREDIT LOSS (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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

	NOTE	CATEGORY	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT	LOSS ALLOWANCE	NET CARRYING AMOUNT
AMOUNT		US$	US$	US$	US$	
31 DECEMBER 2018						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	63,173,857	-	63,173,857
12-month ECL	7		12-month ECL	2,113,314	-	2,113,314
					-	
1 JANUARY 2018						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	41,751,304	-	41,751,304
Other current assets	7		12-month ECL	893,52	-	893,526
					-	

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 on these items by estimating based on historical credit loss experience based on the 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 these assets is presented based on their past due status terms.

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

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.

(b) 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 finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities
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.

2018	**CARRYING AMOUNT** US$	**CONTRACTUAL CASH FLOWS** US$	**ONE YEAR OR LESS** US$	**ONE TO FIVE YEARS** US$	**AFTER FIVE YEARS** US$
FINANCIAL ASSETS					
Trade receivables	63,173,857	63,173,857	63,173,857	-	-
Other current assets	2,113,314	2,113,314	2,113,314	-	-
Cash and cash equivalents	3,467,902	3,467,902	3,467,902	-	-
Total undiscounted financial assets	68,755,073	68,755,073	68,755,073	-	-
FINANCIAL LIABILITIES					
Trade payables	56,833,775	56,833,775	56,833,775	-	-
Other payables	1,433,202	1,433,202	1,433,202	-	-
Finance leases	73,771	88,730	18,684	70,046	-
Total undiscounted financial liabilities	58,340,748	58,355,707	58,285,661	70,046	-
Total net undiscounted financial assets	10,414,325	10,399,366	10,469,412	(70,046)	-

2017	**CARRYING AMOUNT** US$	**CONTRACTUAL CASH FLOWS** US$	**ONE YEAR OR LESS** US$	**ONE TO FIVE YEARS** US$	**AFTER FIVE YEARS** US$
FINANCIAL ASSETS					
Trade receivables	41,751,304	41,751,304	41,751,304	-	-
Other current assets	893,526	893,526	893,526	-	-
Cash and cash equivalents	2,765,114	2,765,114	2,765,114	-	-
Total undiscounted financial assets	45,409,944	45,409,944	45,409,944	-	-
FINANCIAL LIABILITIES					
Trade payables	35,027,857	35,027,857	35,027,857	-	-
Other payables	2,120,173	2,120,173	2,120,173	-	-
Finance leases	90,141	107,619	19,078	76,314	12,227
Total undiscounted financial liabilities	37,238,171	37,255,649	37,167,108	76,314	12,227
Total net undiscounted financial assets	8,171,773	8,154,295	8,242,836	(76,314)	(12,227)

(c) Foreign currency risk

The Company is exposed to foreign currency risk on commitments that are denominated in currencies other than the functional currency of the Company. The Company buys and sells the goods in the same currency to hedge its foreign currency exposure.

The Company does not have any significant foreign currency exposure; hence no sensitivity analysis is carried out.

(d) Interest rate risk

The Company does not have any fixed-rate or variable-rate debt securities or borrowings. Short-term receivables and payables are not exposed to interest rate risk. The Company does not have any specific policy to manage its interest risks. Accordingly, no sensitivity analysis is carried out for changes in interest rates.

24. CAPITAL MANAGEMENT

The capital of the Company consists of the issued share capital and retained earnings. The objectives of the Company 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 maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares, obtain new borrowings or redeem existing borrowings.

SENIOR MANAGEMENT

RAJESH BALASUBRAMANIAN

CEO & Managing Director

Rajesh Balasubramanian is the President of Alzys Global Pte Ltd and was also the founder of the company in 2007. He has an PGDM from IIM Calcutta and a bachelor degree in engineering. He has worked with Marubeni Itochu for 6 years (1996-2002) and Tionale Enterprises, Singapore for 5 years (2002-2007). He has been leading a successful team at Alzys Global for the last 12 years.
The company is also enrolled on the iE Singapore GTP program.

PRABHU SATHYAMOORTHY

President

Prabhu Sathyamoorthy is the Director of Alzys Global Pte. Ltd. and has been with them since 2010. He is an MBA from INSEAD, France / Singapore and a Post Graduate in International Trade from IIFT, India. He has over 20 years of experience in trading and international business, starting his career with Marubeni Corporation, India and spending around 8 years in Latin America with Tionale Pte. Ltd., before his current role as President with Alzys Global Pte. Ltd.

CORE TEAM

GAURAV JAIN

Associate Vice President - Textiles Division

Gaurav Jain is Associate Vice President at Alzys Global Pte Ltd. A textile engineer by qualification, Gaurav also holds an MBA degree in Marketing and Sales. He has a rich experience of more than 15 years in the textile industry before starting the textiles raw material trading desk at Alzys Global in the year 2014.

SHANKAR NARAYANAN

Vice President

Shankar Narayanan is Vice President at Alzys Global Pte Ltd. He holds a Masters Degree in Management from BITS, Pilani (India). His work experience includes 10 years of agro commodity trading at Olam International Ltd., Singapore and 8 years with Watanmal Group, Hong Kong with specialisation in West African markets. He joined Alzys Global in November 2017 and currently handles the foods and steel portfolios.

EVELYN HUANG

Deputy GM, Corporate Finance

Evelyn Huang is the Deputy General Manager, Corporate Finance at Alzys Global Pte Ltd and has been with the organization since 2010. A graduated from Bachelor of Science (Honours) in Banking and Finance from University of Essex. She has over 10 years of experience in Finance, managing Corporate Development, Treasury, Investor Relations, Financial Analysis and Compliance and Human Resource & Administration duties in her early days. She started her career with a food grade plastic manufacturing company before her current role with Alzys Global Pte. Ltd

SURENDRA BADJATYA

Head - Accounts

Surendra Badjatya is the Head of Accounts at Alzys Global Pte Ltd. and is associated with the company since April 2017. He is a qualified Chartered Accountant from ICAI, New Delhi,India and ACMA from CIMA, London-UK. Surendra has more than 15 years' experience including other MNCs in Middle East and Singapore namely Drydocks world - Dubai & Kuok (Singapore) Ltd group. He has been looking after the ERP and Accounts division functions since the beginning of his association with Alzys Global.

ACCELERATING PEOPLE'S GROWTH. THE ALZYS WAY.

People are Alzys Global's greatest asset. That has been the case for the past 14 years and will continue to be so going forward. Operating in a highly competitive commodity trading business, Alzys Global relies on having the best and brightest people to challenge the status quo and introduce new and smarter ways of working.

Improving the culture and engagement with employees at all levels within Alzys was one of the company's transformation workstreams throughout 2018 and continues to be a focus in 2019. The objective was to develop a culture where our people feel they matter and understand how their role contributes to the success of the business.

BEST HR PRACTICES

Alzys Global has always been maintaining a flexible, family-friendly and transparent policies. This helps us to implement a positive and stress-free work environment and also improve greater work-life balance. Our family friendly policies have helped new mothers tremendously as in the case of Ms. Radhika Dubey and Ms. Wendy Briones.

CSR INITIATIVES

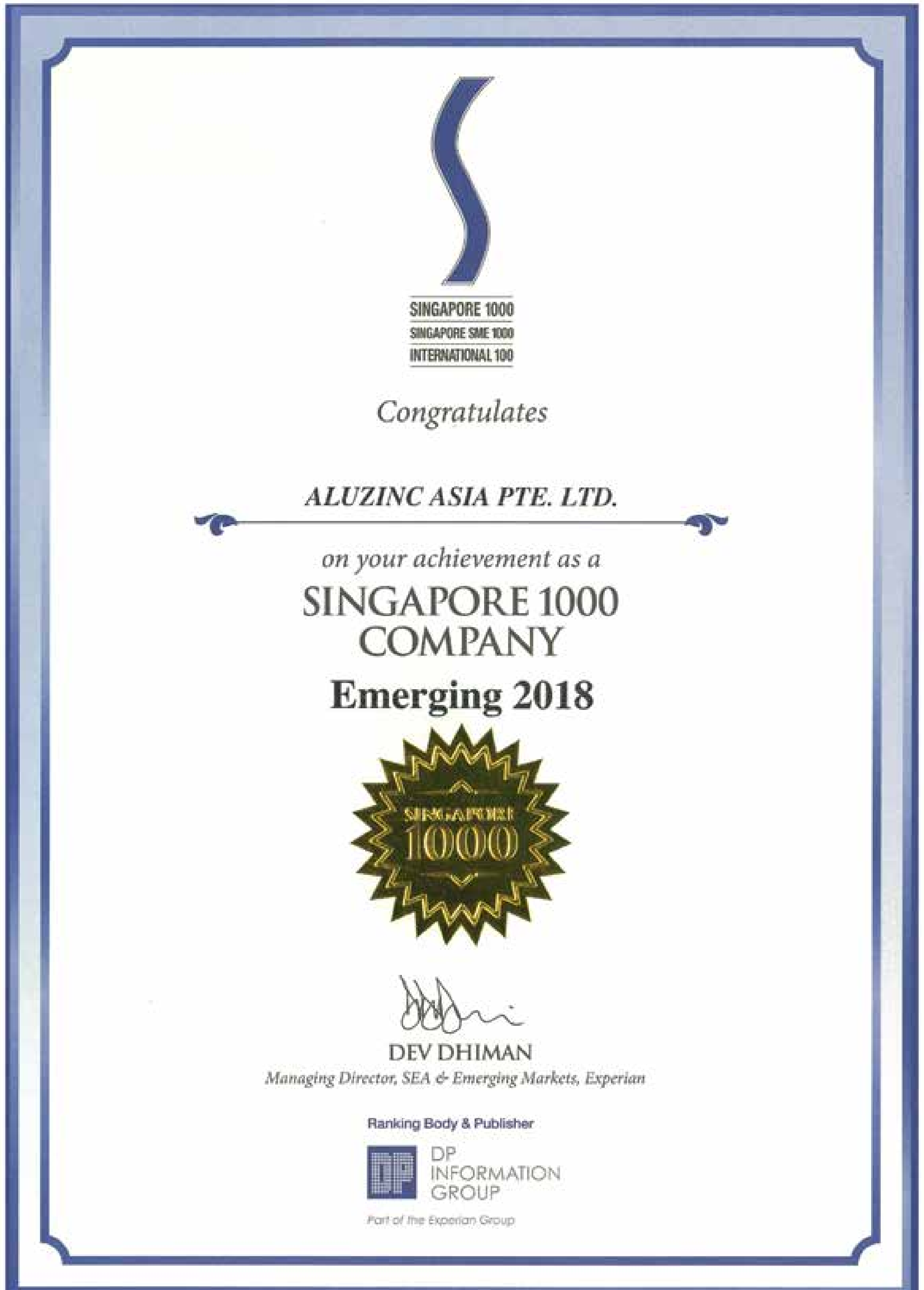
CHARITY FOOTBALL TOURNAMENT TO HELP THE UNDERPRIVILEGED CHILDREN IN MUMBAI.

Alzys Global Mumbai team had participated in a charity football tournament which was organized by an NGO called AARAMBH. The NGO's mission is to provide education to underprivileged children and empower marginalized families with vocational skills. Alzys Mumbai team trained very hard for the tournament and still do keep up their fitness regime with regular practice.

RUN FOR A CAUSE.

Alzys Global Mumbai team participated in the IDBI Mumbai Marathon. All the participants completed the 5km marathon and received the finisher medals. This was a first-hand experience for all participants from the Mumbai office.

CERTIFICATE OF RECOGNITION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