SARDA GLOBAL VENTURE PTE. LTD.

DIRECTORS' STATEMENT

The directorsare pleased to present theirstatement to the members together with the audited financial statements of **SARDA GLOBAL VENTURE PTE. LTD.** (the "company") for the financial year ended 31 March 2019.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the company in office at the date of this statementare:

Lahoti Dinesh Kumar
Thyagarajan s/o RethinamChettiar

3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year had no interest in the shares of the company and its related corporation as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50.

SARDA GLOBAL VENTURE PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. **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 an option to take up unissued shares of the company.

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

6. **AUDITOR**

Prudential Public Accounting Corporation has expressed its willingness to accept re-appointment as auditor.

....	....
Lahoti Dinesh Kumar	Thyagarajan s/o RethinamChettiyar
Director	Director

Date: 15 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SARDA GLOBAL VENTURE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of**SARDA GLOBAL VENTURE PTE. LTD.** (the "company"),which comprise the statement of financial position as at 31 March 2019, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Qualified Opinion

The Company's investment in PT TigadayaMinergya foreign associate was acquired in the prior year andaccounted for by the equity method, is carried at **US$3,222,581** on the statement of financialposition as at 31 March 2019, and the Company's share of the associate's profit amounting to **US$123,632**and translation reserve of **US$ 26,135** is included in the statement of comprehensive income for the year then ended. As stated in Note 9 to thefinancial statements, the associate's results for the period from 1 January 2019 to 31 March 2019were not available. Therefore, we are unable to ascertain the effect of the non-inclusion of the associate'sresults for the aforementioned period on the financial performance of the company and the carrying amount of the associate on the statement of financial position. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 ProfessionalConduct 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 qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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

…2/-

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARDA GLOBAL VENTURE PTE. LTD. – cont'd

Other Information – cont'd

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system ofinternal 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 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 maintainprofessional scepticism throughout the audit. We also:

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

(b) 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.

…3/-

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARDA GLOBAL VENTURE PTE. LTD. – cont'd

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd

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

(d) 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.

(e) 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 director 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.

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

Date: 15 May 2019

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-current assets:			
Investment in associate	(8)	**3,222,581**	3,125,084
Total non-current assets		**3,222,581**	3,125,084
Current assets:			
Financial assets at fair value through profit or loss	(9)	**-**	1,902,409
Other receivables	(10)	**85,144**	181,430
Other current asset	(11)	**2,214**	4,961
Cash and cash equivalents	(12)	**5,689**	12,901
Total current assets		**93,047**	2,101,701
Total assets		**3,315,628**	5,226,785
EQUITY AND LIABILITIES			
Equity:			
Share capital	(13)	**1,085,100**	1,085,100
Accumulated losses		**(601,043)**	(736,941)
Currency translation reserve		**(26,135)**	-
Total equity		**457,922**	348,159
Current liabilities:			
Other payables	(14)	**2,857,706**	4,459,519
Bank borrowing	(15)	**-**	419,107
Total liabilities		**2,857,706**	4,878,626
Total equity and liabilities		**3,315,628**	5,226,785

The annexed notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 US$	2018 US$
Revenue		**-**	-
Other income	(16)	**111,394**	300,420
Administrative expenses		**(31,786)**	(225,736)
Interest expenses	(17)	**(2,891)**	(11,756)
Other expenses		**(64,097)**	(72,458)
Share of profit/(loss) in associate		**123,632**	(243,564)
Profit/(loss) before income tax		**136,252**	(253,094)
Income tax paid	(18)	**(354)**	(522)
Profit/(loss) for the year		**135,898**	(253,616)
Other comprehensive income Items that may be reclassified subsequently to profit or loss - translation differences due to equity accounting of associate		**(26,135)**	-
Total comprehensive income/(loss) for the year		**109,763**	(253,616)

The annexed notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Accumulated Losses	Currency Translation Reserve	Total
	US$	US$	US$	US$
Balance as at 1 April 2017	1,085,100	(483,325)	-	601,775
Total comprehensive loss for the year	-	(253,616)	-	(253,616)
Balance as at 31 March 2018	1,085,100	(736,941)	-	348,159
Total comprehensive income for the year	-	135,898	(26,135)	109,763
Balance as at 31 March 2019	1,085,100	(601,043)	(26,135)	457,922

The annexed notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 US$	2018 US$
Cash flow from operating activities:		
Profit/(loss) before income tax	**136,252**	(253,094)
Adjustment for:		
Dividend income	**(21,917)**	(47,538)
Interest on bond	**(20,200)**	(29,273)
Interest on loan	**2,891**	11,756
Loss on sale of bonds and equities	**(10,854)**	-
Share of profit/(loss) ofassociates	**(123,632)**	243,564
Operating lossbefore working capital changes	**(37,460)**	(74,585)
Other receivables	**96,286**	(81,819)
Other payables	**(27,505)**	538,006
Other current assets	**2,747**	2,694
Cash fromoperating activities	**34,068**	384,296
Income tax	**(354)**	(522)
Net cash fromoperating activities	**33,714**	383,774
Investing activities:		
Dividend received	**21,917**	47,538
Interest received on bond	**20,200**	29,273
Disposal of financial assets at fair value through profit and loss	**1,913,263**	(39,480)
Investment in associate	**-**	(41,130)
Net cash from/(used in) investing activities	**1,955,380**	(3,799)
Financing activities:		
Interest on loan	**(2,891)**	(11,756)
Amount due from related party	**(1,574,308)**	
Proceeds from bank borrowing	**3,065,340**	(5,064,190)
Repayment of bank borrowing	**(3,484,447)**	4,581,454
Net cash used in financing activities	**(1,996,306)**	(494,492)
Net decrease in cash and cash equivalents	**(7,212)**	(114,517)
Cash and cash equivalents at beginning of the year	**12,901**	127,418
Cash and cash equivalents at end of year	**5,689**	12,901

The annexed notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

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

1. GENERAL

a) Corporate Information

Sarda Global Venture Pte. Ltd. (the "company") (Registration number: 200811580R) is a limited private company incorporated and domiciled in the Republic of Singapore with its registered office at:

17 Phillip Street
#05-01 Grand Building
Singapore 048695

The principal activities of the company are those of wholesale of coal and metal ores and investment in mines.

b) Authorisation of financial statements

The financial statements of the company for the financial year ended 31 March2019 were authorised for issue by the Board of Directors on15 May 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. <u>Basis of Accounting</u>

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The fair value of financial assets and liabilities are disclosed in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statements as disclosed in Note 4.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Changes in Accounting Policies

(a) Adoption of new and revised FRS and INT FRS

In the current financial year, the Company has adopted all the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of these new and revised FRSs and INT FRSs did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

FRS 109 - Financial Instruments, effective for annual periods beginning on or after 1 January 2018

FRS 109 supercedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL) or at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, ie. whether the contractual cash flows represent solely payments of principal and interest (SPPI). FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39.

FRS 109 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model apply to financial assets measured at amortised cost or FVOCI, (except for investments in equity instruments) and financial guarantees.

The accounting policies for financial instruments under FRS 109 are disclosed in Note 3.

The following are the changes in the classification and measurement of the Company's financial assets

- Amount due from immediate holding company and bank balances classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as financial assets at amortised cost beginning 1 April 2018.

There are no changes in classification and measurement for the Company's financial liabilities.

(b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs, INT FRSs and amendments that are relevant to the Company were issued but not effective are as follows:

Effective for annual periods beginning on or after 1 January 2019

- INT FRS 123 *Uncertainty over Income Tax Treatments*

The management anticipate that adoption of the above FRSs, INT FRS and amendments to FRS in future periods standards will not have material impact on the financial statements of the Company in the period of their initial application.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. **SIGNIFICANT ACCOUNTING POLICIES - cont'd**

2.3. Functional and Presentation Currency

The management has determined that the currency of the primary economic environment in which the company operates ("the functional currency") is the United States dollar. The financial statements of the company are presented in United States dollar.

2.4. Foreign Currency Transactions

Transactions in foreign currencies are translated into United States dollars at the foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities in foreign currencies at the end of the reporting period have been converted to United States dollar at the rates of exchange approximating those ruling at the end of the reporting period**.** Translation differences resulting from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary assets and liabilities measured at cost in foreign currencies are translated to United State dollar using the foreign exchange rate at the dates of the transactions.

2.5. Investment in Associate

Associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

On acquisition of the investment, any excess of the cost of the investment over the company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

An investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the company's share of profit or loss of the associate after the date of acquisition. The company's share of profit or loss of the associate is recognised in the company's profit or loss. Distributions received from the company's associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the company's proportionate interest in the associate arising from changes in the associate 's other comprehensive income, such changes include those arising from foreign exchange translation differences. The company's share of those changes is recognised in other comprehensive income of the company.

When the company's share of losses in as associate equals or exceeds its interest in the associate, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

2.6. Revenue Recognition

Dividend income is recognised when the company's right to receive has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

2.7. Impairment of Non-financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless relevant asset is carried at a revalued amount, in which are the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

b) Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8. Income Tax – cont'd

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2.9. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

a) A person or a close member of that person's family is related to the company if that person:

- i) has control or joint control over the company;
- ii) has significant influence over the company; or
- iii) is a member of the key management personnel of the company or of a parent of the company.

b) An entity is related to the company if any of the following conditions applies:

- i) 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;
- ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- iii) both entities are joint ventures of the same third party;
- iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- v) the entity is a post-employment benefit plan for the benefit of employees of either the 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;
- vi) the entity is controlled or jointly controlled by a person identified in (a);
- vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.
- viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

2.9. Related Parties – cont'd

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24 – Related Party Disclosures.

2.10 Operating Leases

Where the company has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2.11. Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-taxation rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.12. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.12. Contingent liabilities and contingent assets – cont'd

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.13. Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the end of reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

3.1. Financial Assets

Classification and Measurement

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

Debt Instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **FINANCIAL INSTRUMENTS – Cont'd**

3.1. Financial Assets – cont'd

Debt Instruments – cont'd

Subsequent measurement

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 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 amortisation process.

As at the reporting date, the Company's financial assets at amortised cost consist of bank balances and other receivables.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI 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 for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. 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 de- recognised.

As at the reporting date, the Company does not have debt instruments at measured at FVOCI.

Financial assets at fair value through profit and loss (FVPL)

Financial assets with cash flows that are not solely payments of principal and interest, or do not meet the criteria for amortised cost or FVOCI are classified and measured at fair value through profit or loss, irrespective of the business model.

As at the reporting date, the Company does not have debt instruments measured at FVPL.

Equity Instruments

Regular way purchases and sales of these financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.Dividends from equity investments are recognised in profit or loss as "dividend income" when the right of payment has been established.

On disposal, the differences between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

3. **FINANCIAL INSTRUMENTS – cont'd**

3.1. Financial Assets – cont'd

Equity Instruments – cont'd

Financial assets designated at fair value through OCI (FVOCI)

On initial recognition of an investment in equity instrument that is not held for trading, the Company may elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. The election is determined on an instrument-by-instrument basis and is irrevocable. Movement in fair values of investments classified as FVOCI are presented as "fair value gain and losses" in other comprehensive income.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As at the reporting date, the Company does not have equity investments measured at FVOCI.

Financial assets designated at fair value through profit or loss (FVPL)

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.

As at the reporting date, the Company does not have equity investments measured at FVPL.

The accounting for financial assets before 1 January 2018 under FRS 39 is as follow:

Recognition and Measurement

Financial assets within the scope of FRS 39 – Recognition and Measurement, are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. "Other receivables"" and "bank balances" are classified within loans and receivables in the statement of financial position

Other receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment if any. An allowance for impairment of other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **FINANCIAL INSTRUMENTS – cont'd**

3.1. Financial Assets – cont'd

Impairment of financial assets

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

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL 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 months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The accounting for financial assets before 1 January 2018 under FRS 39 is as follow:

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **FINANCIAL INSTRUMENTS – cont'd**

3.1. Financial Assets – cont'd

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or its transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

3.2. Equity and Financial Liabilities

Equity instruments issued by the Company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

Financial liabilities

Financial liabilities consist of other payables.

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

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

4.1 Judgements made in applying accounting policies

Management has made the following judgements which have the most significant effect on the amountsrecognised in the financial statements:

Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods sold and services rendered and of the country whose competitive forces and regulations mainly determines the sales prices of its services rendered. The functional currency of the company is determined based on management's assessment of the economic in which the entities operate and the entities' process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

Income taxes

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4.2 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, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of investment in associate

The company follows the guidance of FRS 36 in determining the recoverability of its investment in its associates. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information.

The carrying amount of investment in associate is disclosed in Note 8 to the financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE

5.1 Categories of Financial Assets and Financial Liabilities

The carrying amount of financial assets and financial liabilities included in the statement of financialposition, the categories and the headings in which they are included are as follows:

	2019 US$	2018 US$
Financial assets		
Financial assets at FVTPL	**-**	1,902,409
At amortised cost:		
- Other receivables	**85,144**	181,430
- Other current asset	**2,214**	4,961
- Cash and cash equivalents	**5,689**	12,901
	93,047	2,101,701
Financial liabilities:		
At amortised cost:		
- Other payables	**2,857,706**	4,459,519
- Bank borrowings	**-**	419,107
	2,857,706	4,878,626

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors meets periodically to analyse, formulate and monitor the risk management of the company. The company adopts a systematic approach towards risk assessment and management. risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, monitoring and reporting of risk profile.

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The company is not significantly exposed to interest rate risk and foreign currency risk.

There has been no change to the company’s exposure to the financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company’s exposure to credit risk arises primarily from its bank balances. The company transacts only with recognised and creditworthy counterparties. The company place the cash deposits with reputable banks and financial institutions.

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – Cont'd

5.2. Financial Risk Management Policies and Objectives – Cont'd

(a) Credit risk – cont'd

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the companyconsiders reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the companyis exposed to credit risk.

Low credit risk

The companyassumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company also considers a financial asset to have low credit risk when it has an investment grade credit rating with at least one major rating agency for those investments with credit rating.

Credit impaired

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – Cont'd

5.2. Financial Risk Management Policies and Objectives – cont'd

(a) Credit risk – cont'd

Default event

The companyhas determined the default event on a financial asset to be when the counterparty is unlikely to pay its credit obligations to the companyin full, without recourse by the companyto actions such as realising security (if any is held).

Write-off

The companycategorises a receivable for potential write-off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or when a debtor fails to make contractual payments more than 365 days past due.

Where receivables have been written off, the companycontinues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are qualitative information about amounts arising from expected credit losses for bank balances.

- Impairment on bank balances are measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on bank balances is insignificant.

(b) Market risk

(i) Interest rate risk

Interest rate risk arises from the potential change in interest rate which may have an adverse effect on the company's results in the current reporting period and in the future years.

Interest rate sensitivity

The company's statement of comprehensive income and equity are not affected by the changes in interest rates as the interest bearing instruments either carry fixed interest and are measured at amortised cost or carry variable interest rates are held for short-term. Accordingly, management is of the view that the impact of any interest rate fluctuation will not be material. No interest rate sensitivity analysis has been prepared.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT – cont'd**

5.2. Financial Risk Management Policies and Objectives – cont'd

(c) Foreign currency exchange rate risk

The company transacts business in various currencies including United States dollar, Australian dollar, and Hong Kong dollar and therefore is exposed to foreign exchange risk. At present, the company does not have any formal policy for hedging against currency risk. Management believes that the foreign currency exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange risk in equivalents United States dollar are as follows:

2019	**Note**	**SGD**	**AUD**	**HKD**
		US$	**US$**	**US$**
Financial assets				
At amortised cost:				
Other current asset	(11)	**2,214**	**-**	**-**
Financial liabilities				
At amortised cost:				
Other payables	(14)	**3,993**	**-**	**-**
Net exposure assets/(liabilities)		**(1,779)**	**-**	**-**

2018	**Note**	**SGD**	**AUD**	**HKD**
		US$	**US$**	**US$**
Financial assets				
Financial asset at fair value through profit or loss		-	83,312	45,838
Other receivables:				
- Cash and cash equivalents	(12)	1,066	1,076	-
- Other current asset	(11)	4,961	-	-
		6,027	84,388	45,838
Financial liabilities				
At amortised cost:				
- Bank borrowings	(15)	-	91,368	51,686
- Other payables	(14)	27,644	246	85
		27,644	91,614	51,771
Net exposure assets/(liabilities)		(21,617)	(7,226)	(5,933)

Foreign currency sensitivity

A 10% increase or decrease is used when reporting foreign exchange rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT – cont'd**

5.2. Financial Risk Management Policies and Objectives – cont'd

c) Foreign currency exchange rate risk – cont'd

Foreign currency sensitivity – cont'd

A 10% strengthening of United States dollar against the following currencies would increase/(decrease) profit or loss and equity by the amount shown below:

	SGD	HKD	AUD
	US$	US$	US$
2019			
Profit or loss	**(178)**	**-**	**-**
2018			
Profit or loss	(2,162)	(593)	(723)

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

d) Liquidity risk

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

2019	Effective Interest rate (%)	Undiscounted contractual cash flows	Carrying Amount
		US$	US$
Financial liabilities			
Other payables	-	**2,857,706**	**2,857,706**
Bank borrowings	Note 15	**-**	**-**
		2,857,706	**2,857,706**

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT – cont'd**

5.2. Financial Risk Management Policies and Objectives – cont'd

d) Liquidity risk – cont'd

2018	**Effective Interest rate (%)**	**Undiscounted contractual cash flows**	**Carrying Amount**
		US$	**US$**
Financial liabilities			
Other payables	-	4,459,519	4,459,519
Bank borrowings	Note 15	419,107	419,107
		4,878,626	4,878,626

e) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Financial assets and liabilities

Management has determined that the carrying amounts of cash and cash equivalents, other receivables, other payables and interest bearing bank borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

(i) Fair value of the company's financial assets that are measured at fair value on recurring basis

Some of the company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Fair value of financial assets

Financial assets/ Financial liabilities	Fair Value (US$)				Fair value Hierarchy	Valuation technique(s) and key input(s)
	2019		2018			
	Assets	Liabilities	Assets	Liabilities		
Financial assets at fair value through P&L	-	-	1,902,409	-	Level 1	Quoted bid prices in an active Market

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT – cont'd

5.2 Financial Risk Management Policies and Objectives – cont'd

e) Fair value of financial assets and financial liabilities – cont'd

The different levels have been defined as follow:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

During the financial year ended 31 March 2019, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

The company does not anticipate that the carrying amount of the financial assets and financial liabilities recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

5.3 Capital Risk Management Policies and Objectives

The company manages its capital to ensure that the company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as borrowings plus other payables less bank balances. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	2019 **US$**	**2018** **US$**
Bank borrowings	**-**	419,107
Other payables	**2,857,706**	4,459,519
Less: cash and cash equivalents	**(5,689)**	(12,901)
Net debt	**2,852,017**	4,865,725
Total equity	**457,922**	348,159
Total capital	**3,309,939**	5,213,884
Gearing ratio	**86%**	93%

The company is not subject to externally imposed capital requirements.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

6. HOLDING COMPANY

The company is a wholly-owned subsidiary of Sarda Energy & Minerals Ltd, incorporated in India, which is also the company's ultimate holding company.

7. RELATED PARTY TRANSACTIONS

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

The following transactions took place between the company and its related parties at terms agreed between the parties.

Transactions with related party:

	2019 US$	2018 US$
Sale of financial assets to related party	**680,725**	-

Transactions with director:

The remuneration of key management personnel of the company during the financial year is as follows:

	2019 US$	2018 US$
Short-term employee benefits paid to a director	**23,267**	153,204

8. INVESTMENT IN ASSOCIATE

	2019 US$	2018 US$
Unquoted equity shares at cost	**3,368,648**	3,368,648
Accumulated share of profit	**(119,932)**	(243,564)
Accumulated share of OCI	**(26,135)**	-
Carrying value of the associate	**3,222,581**	3,125,084

Movement in accumulated share of profit/(loss) is as follows:

	2019 US$	2018 US$
At beginning of the year	**243,564**	-
Current year	**(123,632)**	243,564
At the end of the year	**119,932**	243,564

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. INVESTMENT IN ASSOCIATE – cont'd

Movement in accumulated share of OCI is as follows:

	2019 US$	2018 US$
At beginning of the year	**-**	-
Current year	**26,135**	-
At the end of the year	**26,135**	-

On 10 July 2017, the company acquired 39,646 shares in PT. TigadayaMinergy for a consideration of US$ 3,368,648. The consideration was settled by converting the loan receivable of US$3,220,500 and advance payment of US$107,018 with the balance, US$ 41,130 paid in cash.

The financial statements of PT. TigadayaMinergy are made up to 31 December each year. The company's share of the results of the associate were for the period from 1 January 2018 to 31 December 2018, based on the associate's audited financial statements. The associate's results for the period from 1 January 2019 to 31 March 2019 were not available.

Details of the company's associate is as follows:

Name of company	Country of incorporation	Principal activities	Equity shareholding 2019 %	Equity shareholding 2018 %
PT. TigadayaMinergy	Indonesia	Investment and coal mining	49	49

PT. TigadayaMinergy is audited by JojoSunarjo&Rekan.

A reconciliation of the summarised financial information presented to the carrying amount of the company's interest in the associated company is as follows:

	2019 US$	2018 US$
Net assets of associate	**1,201,874**	1,002,901
Company's interest	**49%**	49%
Share of net assets	**588,918**	491,421
Goodwill	**2,633,663**	2,633,663
Carrying value	**3,222,581**	3,125,084

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in associate. The review revealed no impairment in value required during the financial year. The recoverable amount of the investment in associate have been determined on the basis of their net asset values at the end of the reporting period as in the opinion of the management of the company, the net asset value of the associates reasonably approximate the fair values less costs to sell.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 US$	2018 US$
Held for trading		
Quoted bond funds	-	982,727
Quoted corporate bonds	-	689,626
Quoted equity securities	-	230,056
	-	1,902,409

At the reporting date, the quoted corporate bonds havenominal valuesof Nil(2018: US$689,626) with a coupon rates ofNil(2018: 5.45% to 5.95%) per annum.

Quoted bonds, bond funds and equitywere pledged to bank for banking facilities (Note 15)

During the year, the bonds and bond funds were sold to related party, Sarda Energy and Minerals, Hong Kong Ltd

Financial assets at fair value through profit or loss are denominated in the following currencies:

	2019 US$	2018 US$
United States dollar	-	1,773,259
Australian dollar	-	83,312
Hong Kong dollar	-	45,838
	-	1,902,409

10. OTHER RECEIVABLES

	2019 US$	2018 US$
Loans to third parties	**40,741**	40,741
Other debtors	-	1,295
Accrued interest receivable	-	6,961
Cash margin with brokers	**44,403**	132,433
	85,144	181,430

Other receivables are denominated in the following currencies:

	2019 US$	2018 US$
United State dollar	**44,810**	141,096
Indonesian Rupiah	**40,334**	40,334
	85,144	181,430

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. OTHER CURRENT ASSET

	2019 US$	2018 US$
Deposit	**2,214**	4,961

Other current asset is denominated in Singapore dollars.

12. CASH AT BANK

	2019 US$	2018 US$
Cash at bank	**5,689**	12,901

Cash and cash equivalents are denominated in the following currencies:

	2019 US$	2018 US$
Australian dollar	**-**	1,076
Singapore dollars	**-**	1,066
United States dollars	**5,689**	10,759
	5,689	12,901

13. SHARE CAPITAL

	2019 Number of ordinary shares	2018	2019 US$	2018 US$
Issued and paid up	**1,085,100**	1,085,100	**1,085,100**	1,085,100

The fully paid ordinary shares with no par value carry one vote per share and a right to dividends as and when declared by the company.

14. OTHER PAYABLES

	2019 US$	2018 US$
Loan from related party (Note 7)	**2,853,713**	4,427,649
Amount due to director	**-**	25,494
Accruals	**3,993**	5,745
Loan interest payable	**-**	631
	2,857,706	4,459,519

The loan from related party and the amount due to director are unsecured, interest-free and repayable on demand.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. OTHER PAYABLES- cont'd

Other payables are denominated in the following currencies.

	2019 US$	2018 US$
United States dollar	**2,853,713**	4,431,544
Australian dollar	**-**	246
Hong Kong dollar	**-**	85
Singapore dollar	**3,993**	27,644
	2,857,706	4,459,519

15. BANKBORROWINGS

	2019 US$	2018 US$
Bank loans	**-**	419,107

In 2018, the bank loans bear interest at effective ratesof2.298% to 3.24% per annumand is repayable on demand. It was secured by a first legal charge on the company's quoted investments(Note 9). These loans were repaid during the year.

Bank borrowings are denominated in the following currencies.

	2019 US$	2018 US$
United States dollar	**-**	276,235
Australian dollar	**-**	91,186
Hong Kong dollar	**-**	51,686
	-	419,107

16. OTHER INCOME

	2019 US$	2018 US$
Dividend income	**25,745**	47,538
Fair value gain from foreign currency forward contract	**10,789**	1,930
Bond interest	**20,200**	29,273
Gain on sale of quoted investments	**53,243**	221,679
Interest on time loan	**420**	-
Foreign currency exchange gain	**997**	-
	111,394	300,420

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. INTEREST EXPENSES

	2019 US$	2018 US$
Interest on loan	**2,891**	11,756

18. INCOME TAX

Reconciliation between the income tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate is as follows:

	2019 US$	2018 US$
Withholding tax on foreign dividend	**354**	522

Reconciliation between the income tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate is as follows:

	2019 US$	2018 US$
Profit/(loss) before income tax	**136,252**	(253,094)
Income tax expenses at statutory rate of 17% (2018: 17%)	**23,163**	(43,026)
Tax effect of:		
- non-deductible expenses	**-**	3,492
- utilisation of previously unrecognised tax loss	**(23,163)**	-
Tax loss not recognised as deferred tax loss	**-**	39,534
	-	-
Withholding tax on foreign dividend	**354**	522
	354	522

At the reporting date, the company has tax losses carry forward available for offsetting against future taxable income as follows:

	2019 US$	2018 US$
Amount at the beginning of the year	**361,919**	108,825
Amount (utilised)/ unutilised in current year	**(136,252)**	253,094
Amount at end of year	**225,667**	361,919
Deferred tax benefit on above unrecorded	**38,364**	61,526

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. INCOME TAX- cont'd

The realisation of the future income tax benefits from tax losses carry forwards are available for an unlimited future period subject to the agreement of the tax authorities and compliance with certain provisions of the Income Tax Act.

The company did not recognise deferred tax asset due to the uncertainty of sufficient future taxable income.

19. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging:

	2019 US$	2018 US$
Professional fees	**943**	17,744
Exchange loss/(gain)	**(997)**	2,797
Rental of office	**-**	14,863
Change in fair value of financial assets designated at fair value	**-**	72,458

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	Bank borrowing (Note 15)	Amount due to related party (Note 14) S$
At 1 April 2018	**419,107**	**4,427,649**
Financing cash flows on cash transaction:		
- Proceeds	**3,065,340**	**279,689**
- Repayment	**(3,484,447)**	**(1,853,625)**
Net proceeds	**(419,107)**	**(1,573,936)**
At 31 March 2019	**-**	**2,853,713**

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

21. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the company for the succeeding financial year.