

SARDA GLOBAL VENTURE PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of **SARDA GLOBAL VENTURE PTE. LTD.** (the "company") for the financial year ended 31 March 2021.

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 2021 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 statement are:

Lahoti Dinesh Kumar
Thyagarajan s/o Rethinam Chettiar

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
Director

.....
Thyagarajan s/o Rethinam Chettiyar
Director

Date: 30 April 2021

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

Report on the Audit of the Financial Statements

Qualified 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 2021, 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 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 2021 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 Tigadaya Minergy a foreign associate was accounted for by the equity method and carried at **US\$2,821,386** on the statement of financial position as at 31 March 2021. The Company's share of the associate's loss amounting to **US\$476,562** and translation reserve of **US\$4,933** is included in the statement of comprehensive income for the year then ended. As stated in Note 8 to the financial statements, the associate's results for the period from 1 January 2021 to 31 March 2021 were not available. Therefore, we are unable to ascertain the effect of the non-inclusion of the associate's results for the aforementioned period on the financial performance of the company and the carrying amount of the associate on the statement of financial position.

Additionally, management is of the view no impairment is necessary in respect of this investment. However, we were not able to obtain sufficient appropriate audit evidence to support management's view in this regard. We were not able to perform alternative audit procedures to ascertain the recoverability of the investment in associate. Consequently, we were unable to determine whether any adjustments to the investment in the associate was 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 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 qualified opinion.

Materiality Uncertainty Related To Going Concern

We draw attention to Note 1 to the financial statements. The company incurred a net loss of **US\$488,076** during the financial year ended 31 March 2021 and as at that date, the company's current liabilities exceeded its current assets by **US\$651,849**. These factors indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

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

Materiality Uncertainty Related To Going Concern – cont'd

The holding company has agreed to provide continuing financial support to the company to enable the company to meet its obligations as and when the need arises.

The directors are of the view that it is appropriate to prepare these financial statements on a going concern basis on the assumption that the company is able to secure support from its holding company to meet its financial obligations in the near term. Our opinion is not modified in respect of this matter.

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.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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.

**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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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.
- (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 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.

**PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

Date: 30 April 2021

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
ASSETS			
Non-current assets:			
Investment in associate	(8)	<u>2,821,386</u>	<u>2,929,015</u>
Total non-current assets		<u>2,821,386</u>	<u>2,929,015</u>
Current assets:			
Other receivables	(9)	<u>40,741</u>	41,361
Other current asset	(10)	<u>2,230</u>	6,343
Cash at bank	(11)	<u>15,170</u>	<u>5,509</u>
Total current assets		<u>58,141</u>	<u>53,213</u>
Total assets		<u>2,879,527</u>	<u>2,982,228</u>
EQUITY AND LIABILITIES			
Equity:			
Share capital	(12)	<u>4,085,100</u>	3,085,100
Accumulated losses		<u>(1,827,153)</u>	<u>(1,339,077)</u>
Currency translation reserve		<u>(88,410)</u>	<u>(93,343)</u>
Total equity		<u>2,169,537</u>	<u>1,652,680</u>
Current liability:			
Other payables and accruals	(13)	<u>709,990</u>	<u>1,329,548</u>
Total current liability		<u>709,990</u>	<u>1,329,548</u>
Total equity and liability		<u>2,879,527</u>	<u>2,982,228</u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Revenue		-	-
Other income	(14)	-	17,800
Administrative expenses		(11,514)	(6,473)
Share of loss in associate		(476,562)	(997,004)
Loss before income tax		(488,076)	(985,677)
Income tax paid	(15)	-	-
Loss for the year		(488,076)	(985,677)
Other comprehensive income			
<u>Items that may be reclassified</u>			
<u>subsequently to profit or loss</u>			
- translation differences due to accounting for foreign associate		4,933	(60,212)
Total comprehensive loss for the year		(483,143)	(1,045,889)

The accompanying accounting policies and explanatory 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 2021

	Share capital	Accumulated Losses	Currency Translation Reserve	Total
	US\$	US\$	US\$	US\$
Balance as at 1 April 2019	1,085,100	(353,400)	(33,131)	698,569
Issuance of shares (Note 12)	2,000,000	-	-	2,000,000
Total comprehensive loss for the year	-	(985,677)	(60,212)	(1,045,889)
Balance as at 31 March 2020	3,085,100	(1,339,077)	(93,343)	1,652,680
Issuance of shares (Note 12)	1,000,000	-	-	1,000,000
Total comprehensive loss for the year	-	(488,076)	4,933	(483,143)
Balance as at 31 March 2021	4,085,100	(1,827,153)	(88,410)	2,169,537

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
Cash flows from operating activities:			
Loss before income tax		(488,076)	(985,677)
<u>Adjustments for:</u>			
Interest on bond		-	(63)
Share of loss of associate	(8)	476,562	997,004
Operating (loss)/ profit before working capital changes		(11,514)	11,264
Other receivables		620	43,783
Other payables		432	(490)
Other current assets		4,113	(4,129)
Cash from operating activities		(6,349)	50,428
Income tax		-	-
Net cash (used in)/from operating activities		(6,349)	50,428
Investing activities:			
Interest received on bond		-	63
Acquisition of Investment in associate		(364,000)	(523,003)
Net cash used in investing activities		(364,000)	(522,940)
Financing activities:			
Issue of shares		1,000,000	2,000,000
Repayment to related party	(17)	(999,990)	(1,996,821)
Proceeds from related party	(17)	380,000	469,153
Net cash from financing activities		380,010	472,332
Net increase/(decrease) in cash at bank		9,661	(180)
Cash at bank at beginning of the year		5,509	5,689
Cash at bank at end of year		15,170	5,509

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

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 March 2021 were authorised for issue by the Board of Directors on 30 April 2021.

c) Going concern

The company incurred a net loss of **US\$488,076** during the financial year ended 31 March 2021 and as at that date, the company’s current liabilities exceeded its current assets by **US\$651,849**. These factors indicate the existence of a material uncertainty which may cast significant doubt about the company’s ability to continue as a going concern.

The holding company has agreed to provide financial support to the company to enable the company to meet its obligations as and when the need arises.

The directors are of the view that it is appropriate to prepare these financial statements on a going concern basis on the assumption that the company is able to secure support from its holding company to meet its financial obligations in the near term.

If the company is unable to continue in operational existence for the foreseeable future, the company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

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”).

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.1. Basis of Accounting – cont'd

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.

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 April 2020. 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.

(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:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1	Classification of Liabilities as Current or Non-Current (Amendments)	1 January 2023
FRS 103	Reference to the Conceptual Framework (Amendments)	1 January 2022
Annual Improvements to FRSs 2019-2020 cycle:		
- Amendments to FRS 109 Financial Instruments – Fees in the “10 per cent” Test for Derecognition of Financial Liabilities		1 January 2022

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 case 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

b) Deferred 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.

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.

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.

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

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

2.10. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11. 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.

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.

2.12. 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.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

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

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 FVTPL 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.

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 (FVTOCI)

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 FVTOCI. Financial assets measured at FVTOCI 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.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – Cont'd

3.1. Financial Assets – cont'd

Subsequent measurement – cont'd

Debt Instruments – cont'd

Fair value through other comprehensive income (FVTOCI) – cont'd

As at the reporting date, the company does not have debt instruments at measured at FVTOCI.

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

Financial assets with cash flows that are not solely payments of principal and interest, or do not meet the criteria for amortised cost or FVTOCI 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 FVTPL.

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.

Financial assets designated at fair value through OCI (FVTOCI)

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 FVTOCI 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 FVTOCI.

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

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 FVTPL.

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

The company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVTOCI. 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.

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 and accruals.

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.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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.

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 amounts recognised 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.

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. The company determines the recoverable amount of the associate based on the associates' net assets values at the end of the reporting period as in the opinion of the management, the net assets values of the associate reasonably approximate the fair values less costs to sell.

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 RISK 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 financial position, the categories and the headings in which they are included are as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Financial assets		
At amortised cost:		
- Other receivables	40,741	40,741
- Other current asset	2,230	6,343
- Cash at bank	15,170	5,509
	<u>58,141</u>	<u>52,593</u>
Financial liabilities:		
At amortised cost:		
- Other payables and accruals	709,990	1,329,548

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, foreign currency exchange risk and liquidity risk. The company is not significantly exposed to interest rate 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers 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.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

(a) Credit risk – cont'd

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 company is exposed to credit risk.

Low credit risk

The company assumes 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.

Default event

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

(a) Credit risk – cont'd

Write-off

The company categorises 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 company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit risk rating grades

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
Grade I (Performing)	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows	12-month ECL
Grade II (Doubtful)	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Grade III (Default)	Amount is > 180 days past due to or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit impaired
Grade IV (Write off)	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

(b) Foreign currency exchange rate risk

The company transacts business in various currencies including United States dollar, Australian dollar, and Singapore 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 equivalent United States dollar are as follows:

<u>Presented in US\$</u>	<u>2021</u> SGD	<u>2020</u> SGD
Financial assets		
Other current asset	2,230	2,104
Financial liabilities		
Other payables and accruals	3,935	3,503
Net exposure	<u>(1,705)</u>	<u>(1,399)</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

(b) Foreign currency exchange rate risk – cont'd

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.

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

<u>Presented in US\$</u>	<u>2021</u> S\$	<u>2020</u> S\$
Profit or loss	<u>(171)</u>	<u>(134)</u>

A 10% weakening of United States dollar 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.

(c) 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.

<u>2021</u>	<u>Effective Interest rate (%)</u>	<u>Undiscounted contractual cash flows</u> US\$	<u>Carrying Amount</u> US\$
Financial liabilities:			
Other payables		<u>709,990</u>	<u>709,990</u>
<u>2020</u>	<u>Effective Interest rate (%)</u>	<u>Undiscounted contractual cash flows</u> US\$	<u>Carrying Amount</u> US\$
Financial liabilities:			
Other payables		<u>1,329,548</u>	<u>1,329,548</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

(d) 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.

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

The company does not anticipate that the carrying amounts 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 other payables less bank balances. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	<u>2021</u> US\$	<u>2020</u> US\$
Other payables	709,990	1,329,548
Less: cash at bank	(15,170)	(5,509)
Net debt	<u>694,820</u>	<u>1,324,039</u>
Total equity	<u>2,169,537</u>	<u>1,652,680</u>
Total capital	<u>2,864,357</u>	<u>2,976,719</u>
Gearing ratio	<u>24%</u>	<u>44%</u>

The company is not subject to externally imposed capital requirements.

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.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. RELATED PARTY BALANCES

Related parties are entities with common direct or indirect shareholder and/or directors as that of the company. Parties are also considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements and terms thereof are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest free and without fixed repayment terms unless stated otherwise.

8. INVESTMENT IN ASSOCIATE

Details of the associate company is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Unquoted equity shares at cost	4,255,651	3,368,648
Advance for share subscription	-	523,003
Accumulated share of losses	(1,345,855)	(869,293)
Foreign exchange translation reserve	(88,410)	(93,343)
Carrying value of the associate	<u>2,821,386</u>	<u>2,929,015</u>

<u>Name of company</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Equity shareholding</u>	
			<u>2021</u> %	<u>2020</u> %
PT. Tigadaya Minergy	Indonesia	Investment and coal mining	49	49

PT. Tigadaya Minergy is audited by Jojo Sunarjo & Rekan.

During the year, the company increased its capital contribution in the associate company by US\$364,000 in proportion to its equity investment.

Movement in accumulated share of losses is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
At beginning of the year	(869,293)	127,711
Current year	(476,562)	(997,004)
At the end of the year	<u>(1,345,855)</u>	<u>(869,293)</u>

The financial statements of the associate company 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 2020 to 31 December 2020, based on the associate's audited financial statements. The associate's results for the period from 1 January 2021 to 31 March 2021 were not available.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. INVESTMENT IN ASSOCIATE – cont'd

Movement in foreign exchange translation reserve is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
At beginning of the year	(93,343)	(33,131)
Current year	<u>4,933</u>	<u>(60,212)</u>
At the end of the year	<u>(88,410)</u>	<u>(93,343)</u>

The financial information of the associate is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Total assets	3,479,977	3,728,726
Total liabilities	<u>(3,096,869)</u>	<u>(3,125,966)</u>
Net assets	<u>383,108</u>	<u>602,760</u>
Revenue	<u>751,995</u>	<u>10,886,268</u>
Loss for the year after tax	<u>(1,032,189)</u>	<u>(1,763,937)</u>

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

	<u>2021</u> US\$	<u>2020</u> US\$
Net assets of associate	383,108	602,760
Company's interest	49%	49%
Share of net assets	187,723	295,352
Goodwill	<u>2,633,663</u>	<u>2,633,663</u>
Carrying value	<u>2,821,386</u>	<u>2,929,015</u>

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. OTHER RECEIVABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Advance to associate	-	620
Loan to third parties	<u>40,741</u>	<u>40,741</u>
	<u>40,741</u>	<u>41,361</u>

Loan to third parties are unsecured, interest free and repayable on demand.

Other receivables are denominated in the following currencies:

	<u>2021</u> US\$	<u>2020</u> US\$
United States dollar	<u>40,741</u>	<u>40,741</u>
Indonesian Rupiah	-	620
	<u>40,741</u>	<u>41,361</u>

10. OTHER CURRENT ASSET

	<u>2021</u> US\$	<u>2020</u> US\$
Deposit	<u>2,230</u>	<u>2,104</u>
Income tax recoverable	-	<u>4,239</u>
	<u>2,230</u>	<u>6,343</u>

Other current asset is denominated in Singapore dollars.

11. CASH AT BANK

	<u>2021</u> US\$	<u>2020</u> US\$
Cash at bank	<u>15,170</u>	<u>5,509</u>

Cash at bank is denominated in United States dollar.

12. SHARE CAPITAL

	<u>2021</u> Number of ordinary shares	<u>2020</u> Number of ordinary shares	<u>2021</u> US\$	<u>2020</u> US\$
At beginning of year	<u>3,085,100</u>	1,085,100	<u>3,085,100</u>	1,085,100
New shares issued	<u>1,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>
At end of the year	<u>4,085,100</u>	<u>3,085,100</u>	<u>4,085,100</u>	<u>3,085,100</u>

During the year, the company issued **1,000,000** ordinary shares (2020: 2,000,000 ordinary shares) at a consideration of **US\$1,000,000** (2020: US\$2,000,000) at US\$1 per share for total cash to its sole share holder for the purpose of additional working capital.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. SHARE CAPITAL – cont'd

The fully paid ordinary shares which have no par value carry one vote per share without restriction and a right to dividends as and when declared by the company.

13. OTHER PAYABLES AND ACCRUALS

	<u>2021</u> US\$	<u>2020</u> US\$
Loan from related party (Note 7)	706,055	1,326,045
Accruals	<u>3,935</u>	<u>3,503</u>
	<u><u>709,990</u></u>	<u><u>1,329,548</u></u>

The loan from related party is unsecured, interest-free and repayable on demand.

Other payables are denominated in the following currencies.

	<u>2021</u> US\$	<u>2020</u> US\$
United States dollar	706,055	1,326,045
Singapore dollar	<u>3,935</u>	<u>3,503</u>
	<u><u>709,990</u></u>	<u><u>1,329,548</u></u>

14. OTHER INCOME

	<u>2021</u> US\$	<u>2020</u> US\$
Bond interest	-	63
Foreign currency exchange gain	<u>-</u>	<u>17,737</u>
	<u><u>-</u></u>	<u><u>17,800</u></u>

15. INCOME TAX

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

	<u>2021</u> US\$	<u>2020</u> US\$
Loss before income tax	<u>(488,076)</u>	<u>(985,677)</u>
Income tax expenses at statutory rate of 17% (2020: 17%)	(82,973)	(167,565)
Tax effect of:		
- disallowed expenses	81,016	169,491
- unutilisation/(utilisation) of previously unrecognised tax loss	<u>1,957</u>	<u>(1,926)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. INCOME TAX – cont'd

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

	<u>2021</u> US\$	<u>2020</u> US\$
Amount at the beginning of the year	19,806	61,898
Over recognition in prior year	-	(30,765)
Amount unutilised/(utilised) in current year	<u>11,514</u>	<u>(11,327)</u>
Amount at end of year	<u>31,320</u>	<u>19,806</u>
Deferred tax benefit on above unrecorded	<u>5,324</u>	<u>3,367</u>

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.

16. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	<u>2021</u> US\$	<u>2020</u> US\$
Professional fees	1,433	967
Exchange loss/(gain)	<u>452</u>	<u>(17,737)</u>

17. 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.

Amount due to related party (Note 13)	<u>2021</u> US\$	<u>2020</u> US\$
At beginning of the year	1,326,045	2,853,713
<i>Financing cash flows:</i>		
- Proceeds	380,000	469,153
- Repayment	<u>(999,990)</u>	<u>(1,996,821)</u>
<i>Net proceeds</i>	<u>(619,990)</u>	<u>(1,527,668)</u>
At end of the year	<u>706,055</u>	<u>1,326,045</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. 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 except for the below

19. IMPACT OF COVID-19

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a global pandemic. The COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of Indonesia, which is the country, where the associate company operates.

The company has been closely monitoring the COVID-19 outbreak since early 2020, given the disruptions and uncertainty that it has on global economic prospects. The company has assessed the inherent risk of the outbreak and has put in place mitigating measures including those directed by the respective authorities. As at the date of this report, the company has considered substantially all available information in their assessment of the impact of COVID-19 on the company. However, as the situation continues to evolve, the company is unable to ascertain the full impact of COVID-19 in the medium-to-longer term. The company will continue to monitor the situation and take the appropriate measures to deal with the implications of COVID-19 in accordance with guidelines, regulations and legislations provided by the authorities and will take the necessary actions to ensure the long-term sustainability of the company.