

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

CORPORATE INFORMATION
(at date of this report)

Member	:	HCL Technologies Limited
Directors	:	Ramanathan Srinivasan Sundram Sridharan Subramanian Gopalakrishnan
Secretary	:	Koh Yuh Ling Doreen
Auditors	:	J K Medora & Co LLP
Registered Office and Place of Business	:	8 Shenton Way #21-07 AXA Tower Singapore 068811

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GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors submit their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2018.

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 6 to 39 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018, the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; 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.

1) DIRECTORS OF THE COMPANY

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

**RAMANATHAN SRINIVASAN
SUNDARAM SRIDHARAN
SUBRAMANIAN GOPALAKRISHNAN**

2) ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

3) DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, the directors holding office at the end of the financial year had an interest in the shares or debentures of the Company and its related corporations are detailed below:-

Ordinary shares held in Immediate holding Company <u>HCL Technologies Limited</u> , by	Holdings registered in name of director or nominee <u>Number of ordinary shares</u>	
	At 01.04.2017	At 31.03.2018
Subramanian Gopalakrishnan	50	-
Sundram Sridharan	12,104	12,104

GEOMETRIC ASIA PACIFIC PTE. LTD.
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DIRECTORS' STATEMENT

4) SHARE OPTIONS

During the financial year, no share options were available or exercisable.

5) INDEPENDENT AUDITORS

The independent auditors, J K Medora & Co LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors,



.....
SUBRAMANIAN GOPALAKRISHNAN
DIRECTOR

27 AUG 2018



.....
SUNDARAM SRIDHARAN
DIRECTOR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEOMETRIC ASIA PACIFIC PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Geometric Asia Pacific Pte. Ltd. (the Company), set out on pages 6 to 39, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and the 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 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEOMETRIC ASIA PACIFIC PTE. LTD.
(continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

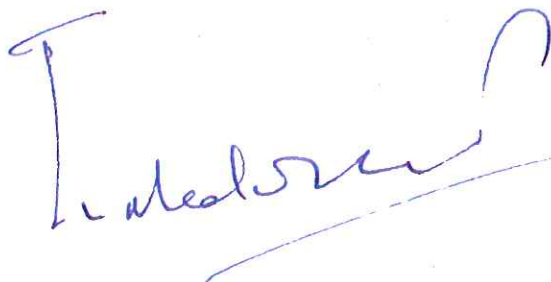
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEOMETRIC ASIA PACIFIC PTE. LTD.
(continued)

Other Matter

The financial statements of the Company for the year ended 31 March 2017, was audited by another auditor who expressed a true and fair view opinion.

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.



JK Medora & Co LLP
Public Accountants and Chartered Accountants Singapore

Singapore
27 August 2018

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
Continuing Operations			
Revenue	4	10,004,275	10,632,219
Cost of sales	5	(7,747,787)	(9,506,983)
Gross profit		2,256,488	1,125,236
Other income	6	11,924	23,844
Other (losses) / gains, net	7	(50,760)	103,838
<u>Other item of expenses</u>			
Administrative expenses	5	(207,386)	(803,399)
Other operating expenses	14	(653)	(2,993)
Withholding tax write back / paid		3,710	(525,020)
Finance costs		(12,647)	(21,218)
		(216,976)	(1,352,630)
Profit / (loss) before tax		2,000,676	(99,712)
Income tax expense	9	(116,670)	(131,582)
Profit / (Loss) from continuing operations		1,884,006	(231,294)
Other comprehensive income		-	-
Total comprehensive income / (deficit) for the year		1,884,006	(231,294)

The annexed notes form an integral part of these financial statements

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
ASSETS			
Current Assets			
Cash and cash equivalents	11	6,233,032	3,564,026
Trade and other receivables	12	4,259,757	4,419,495
Other financial assets	13	72,151	71,663
Non-financial assets (Prepayment)		12,501	43,848
Total Current Asset		<u>10,577,441</u>	<u>8,099,032</u>
Non-current Assets			
Plant and equipment	14	3,892	2,543
Investment in a subsidiary	15	450,762	439,813
Deferred tax assets	10	79,399	-
Total Non-current Assets		<u>534,053</u>	<u>442,356</u>
Total Assets		<u>11,111,494</u>	<u>8,541,388</u>
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Income tax liabilities	9	712,004	635,261
Trade and other payables	16	5,523,099	4,846,483
Other financial liabilities	17	425,827	501,181
Total Current Liabilities		<u>6,660,930</u>	<u>5,982,925</u>
Non-current Liabilities			
Staff benefits payable		71,052	62,957
Total Non-current Liabilities		<u>71,052</u>	<u>62,957</u>
Total Liabilities		<u>6,731,982</u>	<u>6,045,882</u>
Equity			
Share capital	18	100,000	100,000
Retained earnings		4,279,512	2,395,506
Total Equity		<u>4,379,512</u>	<u>2,495,506</u>
Total Equity and Liabilities		<u>11,111,494</u>	<u>8,541,388</u>

The annexed notes form an integral part of these financial statements

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	<u>Share capital</u> S\$	<u>Retained earnings</u> S\$	<u>Total</u> S\$
Balance as at 1 April 2016	100,000	2,626,800	2,726,800
(Loss) for the year	-	(231,294)	(231,294)
Other comprehensive income for the year	-	-	-
Total comprehensive deficit for the year	-	(231,294)	(231,294)
Balance as at 31 March 2017	100,000	2,395,506	2,495,506
Profit for the year	-	1,884,006	1,884,006
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,884,006	1,884,006
Balance as at 31 March 2018	100,000	4,279,512	4,379,512

The annexed notes form an integral part of these financial statements

GEOMETRIC ASIA PACIFIC PTE. LTD.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	<u>2018</u> S\$	<u>2017</u> S\$
Cash flows from operating activities		
Profit / (Loss) before tax	2,000,676	(231,294)
Adjustments:-		
Depreciation of plant and equipment	653	3,003
Interest income	(231)	(493)
Interest expenses	-	468
Allowance for impairment on debts	211	-
Unrealised currency translation loss / (gain)	(18,989)	(22,569)
Withholding tax	-	656,602
Fair value reversal on investment in subsidiary	(10,949)	-
Operating cash flows before changes in working capital	1,971,371	405,717
Changes in working capital:-		
Trade, other receivables and other assets	166,571	(797,265)
Trade, other payables and other liabilities	609,357	786,801
Cash generated from operations	2,747,299	395,253
Tax paid, net	(76,522)	(45,288)
Net cash generated from operating activities	2,670,777	349,965
Cash flows from investing activities		
Purchase of plant and equipment	(2,002)	(3,527)
Interest received	231	493
Net cash (used in) investing activities	(1,771)	(3,034)
Cash flows from financing activities		
Interest expense paid	-	(468)
Net cash (used in) financing activities	-	(468)
Net increase in cash and cash equivalents	2,669,006	346,463
Beginning of the financial year (Notes 2.13 and 11)	3,564,026	3,218,807
Effects of currency translation on cash and cash equivalents	-	(1,244)
End of the financial year (Notes 2.13 and 11)	6,233,032	3,564,026

Note: Purchase of plant and equipment was made using cash and cash equivalents.

The annexed notes form an integral part of these financial statements

GEOMETRIC ASIA PACIFIC PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018

1. DOMICILE AND PRINCIPAL ACTIVITIES

The Company (Company Registration No: 200202986R) is a private company incorporated and domiciled in Singapore with its registered office and principal place of business at 8 Shenton Way, #21-07 AXA Tower, Singapore 068811.

The principal activities of the Company are the rendering of information technology engineering services, software consultancy and development services and products sales. The company also has branch offices in Japan, Korea and Australia. The principal activities of the branches are the same as the Company. The principal activities of the subsidiary is stated in Note 16.

There have been no significant changes in the nature of these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretation and amendments to published standards effective in 2017

On 1 April 2017, the Company adopted the new or amended FRS and interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

New or revised accounting standards and FRS interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2018 and 1 January 2019. Management has not yet completed its review of these accounting standards to establish the impact on the Company's financial statements.

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group Accounting

These financial statements are the separate financial statements of the Company. The Company is exempted from the requirement to prepare consolidated financial statements as the Company is a wholly owned subsidiary of the ultimate holding company in India, which produces consolidated financial statements available for public use.

The registered office of the ultimate holding company, HCL Technologies Limited, is at 806 Siddharth, 96, Nehru Place, New Delhi – 110019, India.

The basis on which the subsidiary is accounted for is disclosed in Note 2.3 to the financial statements.

2.3 Investment in a Subsidiary

Investment in a subsidiary is carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Holding Company and Related Parties

Holding Company

The immediate and ultimate holding company is HCL Technologies Limited, a company incorporated in India and listed on NSE (National Stock Exchange, Mumbai) and BSE (Mumbai Stock Exchange).

Related Parties

A related party is 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 of 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.

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Holding Companies and Related Parties (continued)

- (b) An entity is related to the Company if any of the following conditions applies:
(continued)
- (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).

2.5 Revenue Recognition

Revenue comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Revenue is presented, net of goods and services tax, rebates and discounts.

The Company assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:-

(i) Product revenue

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods.

GEOMETRIC ASIA PACIFIC PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Revenue Recognition (continued)

(ii) Rendering of services

Revenue is recognised in the period in which the services are rendered, to the extent that is probable that the economic benefits will flow to the Company and revenue can be reliably measured. The Company adopts the following accounting policies for services.

Time and material contracts

Revenue on time and material contracts are determined based on the actual time and material costs incurred on the contract plus a mark-up. Revenue on time and material contracts are recognised as the services are rendered over the period of the contracts, as approved by the end customers.

Fixed price contracts

Revenue from fixed price contracts includes the initial revenue amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a contract can be estimated reliably, revenue is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Contract expenses are recognised as incurred.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus representing amounts due from customers is shown as 'unbilled revenue' and included under 'trade and other receivables'. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus representing amounts due to customers is shown as 'deferred revenue' and included under 'trade and other payables'.

(iii) Interest income – Loans to related parties

Interest is recognised on an accrual basis using the effective interest method.

GEOMETRIC ASIA PACIFIC PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Plant and Equipment

Recognition and Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs) that are directly attributable to the acquisition, construction or production of a qualifying asset.

Depreciation

Depreciation is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follows:-

	<u>No. of Years</u>
Leasehold improvements	10 years
Computer equipment	3 - 5 Years
Furniture and fittings	3 - 5 Years

The residual values, useful lives and depreciation methods of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the profit or loss when the changes arise.

Subsequent cost

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

GEOMETRIC ASIA PACIFIC PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial Assets

(i) Classification

The Company classifies its financial assets as loans and receivables and financial assets, available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are presented as non-current assets.

The Company classifies the following financial assets as loans and receivables:-

- Cash and cash equivalents.
- Trade and other receivables.
- Deposits.

(ii) Recognition and derecognition

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

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

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(iv) Subsequent measurement

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

GEOMETRIC ASIA PACIFIC PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial Assets (continued)

(v) Impairment

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

Loans and receivables

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

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

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

2.8 Financial Liabilities

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

Financial liabilities are recognised initially at fair values.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the profit or loss. Net gains or losses on derivatives include exchange differences.

GEOMETRIC ASIA PACIFIC PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Trade and Other Payables

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

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

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of economic resources will be required to settle the obligation and the amount of has been reliably estimated.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

2.11 Impairment of non-financial assets
Plant and equipment
Investment in a subsidiary

These assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generated units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Plant and equipment" for the treatment of a revaluation decrease.

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of non-financial assets (continued)
Plant and equipment
Investment in a subsidiary

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.12 Income Taxes

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

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

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

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

Deferred income tax is measured:

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

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

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts, where applicable. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, where applicable, assessments is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.14 Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in Singapore Dollar, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains / losses – net".

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

2.15 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term employee benefits

These include wages, salaries, social security contributions, paid annual leave, paid sick leave, profit sharing, bonuses (if paid within twelve months of the end of the financial year) and other non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Employee Compensation (continued)

(iii) Employment leave entitlement

Employee entitlements to annual leave are recognised when they accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to reporting date.

(iv) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted at present value.

2.16 Operating Lease

(a) When the Company is the lessee

The Company leases office under operating lease from non-related parties.

(i) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.17 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable to expenses are recognised as income over the periods necessary to match them with the related cost which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.19 Offsetting of Financial Instruments

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

2.20 Fair Value Estimation of Financial Assets and Liabilities

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment, on a monthly basis. Significant financial difficulties to the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience or assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(b) Contract revenue

The Company uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

3.2 Critical judgements in applying the entity's accounting policies

There were no significant areas which required critical judgements in applying the entity's accounting policies, other than those already disclosed in these financial statements.

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4. REVENUE

	<u>2018</u> S\$	<u>2017</u> S\$
Engineering services	1,773,920	2,379,119
Software services	8,227,128	8,160,765
Product sales	3,227	92,335
	<u>10,004,275</u>	<u>10,632,219</u>

5. EXPENSES BY NATURE

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
Consulting charges		3,798,225	4,986,119
Purchase of finished goods and services		-	239,852
Employee benefits expense	8	3,562,116	4,592,546
Rent expenses		123,340	75,439
Allowance for impairment of trade debts - included in "market and distribution expenses"			
Charged, net	12(iii)	211	-
Legal and professional fees		169,560	210,695
Communications		23,244	31,091
Repairs and maintenance		147,904	2,302
Travelling Expenses		83,029	51,106
Postages and courier		11,249	8,132
Utilities		2,864	-
Others *		33,431	113,100
Total cost of sales, marketing and distribution costs and administrative expenses		<u>7,955,173</u>	<u>10,310,382</u>

*Others comprises the aggregate of items which are individually immaterial.

6. OTHER INCOME

	<u>2018</u> S\$	<u>2017</u> S\$
Interest income	230	493
Fair value reversal on investment in subsidiary (Note 15)	10,949	-
Miscellaneous income	745	23,351
	<u>11,924</u>	<u>23,844</u>

7. OTHER (LOSSES) / GAINS, NET

	<u>2018</u> S\$	<u>2017</u> S\$
Foreign currency exchange (losses) / gains, net	(50,760)	103,838
	<u>(50,760)</u>	<u>103,838</u>

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8. EMPLOYEE BENEFITS EXPENSE

	<u>2018</u> S\$	<u>2017</u> S\$
(a) <u>Key Management Personnel - Directors</u>		
Short-term employee benefits - directors of the Company (This include employers' contribution to defined contribution plans of S\$Nil (2017: S\$Nil))	-	-
(b) <u>Employees</u>		
Short-term employee benefits	2,916,106	4,125,264
Employer's contribution to defined contribution plans including Central Provident Fund	646,010	467,282
	<u>3,562,116</u>	<u>4,592,546</u>
(c) Total Employee Benefits Expense	<u>3,562,116</u>	<u>4,592,546</u>

9. INCOME TAXES

(a) **Income tax expense**

Tax expense attributable to profit is made up of:-

	<u>2018</u> S\$	<u>2017</u> S\$
Current income tax - for the period(Note 9(b))	538,967	131,582
Deferred tax (Note 10(a)):		
Movement in taxable temporary differences	26,279	-
	<u>565,246</u>	<u>131,582</u>
Current income tax - prior year's over provision	(343,598)	-
Deferred tax written back - prior year	(104,978)	-
Per Statement of Comprehensive Income	<u>116,670</u>	<u>131,582</u>

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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9. INCOME TAXES (continued)

- (b) The tax expense on the profit / (loss) for the financial year differs from the tax expense that would arise by applying the Singapore standard income tax rate to profit / (loss) before tax due to the following :-

	<u>2018</u> S\$	<u>2017</u> S\$
Profit / (loss) before income tax	2,000,676	(99,712)
Tax at the applicable tax rate of 17% (2017:17%)	340,115	(16,951)
Tax effect of items that are not deductible / (allowable) in determining taxable profit:		
Allowable claims	(57,830)	-
Non-taxable items	(2,580)	-
Non-deductible items	42,069	89,253
Current year capital allowance and PIC enhanced claims	(96)	-
Tax exempt income	(14,377)	-
Tax rebate	(4,543)	-
Effect of higher tax rates in foreign jurisdictions	236,589	66,539
Currency translation difference	(380)	-
Recognition of tax effect of previously unrecognised tax loss	-	(7,259)
Current income tax - for the year	538,967	131,582
Movement in taxable temporary differences	26,279	-
Tax charge	565,246	131,582

(c) Movements in current income tax liabilities

	<u>2018</u> S\$	<u>2017</u> S\$
Balance, at beginning of financial year	635,261	23,949
Income tax paid	(76,522)	(45,290)
	558,739	(21,341)
Prior year's (over) provision	(343,598)	-
Current financial year's tax	538,967	131,582
Foreign withholding tax	-	525,020
Currency translation difference	(42,104)	-
Balance, at end of financial year	712,004	635,261

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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10. DEFERRED TAXES

- (a) Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 17% (2017: 17%).

The movement on the deferred income tax account is as follows:-

	<u>2018</u> S\$	<u>2017</u> S\$
Balance, at beginning of financial year	-	-
Tax (write-back) / charge to income statement	(78,699)	-
Balance, at end of financial year	<u>(78,699)</u>	<u>-</u>

- (b) The movements in the deferred tax (assets) and liabilities (prior to offsetting of balances within the same jurisdiction) during the financial period are as follows:-

Deferred tax assets

	<u>Accelerated Tax depreciation</u> S\$
<u>2018</u>	
Balance at beginning of financial year	-
Charged to Income Statement – current year	26,279
(Written back) to Income Statement – prior year	(104,978)
Balance at end of financial year	<u>(78,699)</u>

	<u>Accelerated Tax depreciation</u> S\$
<u>2017</u>	
Balance at beginning of financial year	-
Charged / (Written back) to Income Statement	-
Balance at end of financial year	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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10. DEFERRED TAXES (continued)

- (c) 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 the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the statement of financial position as follows:-

	<u>2018</u> S\$	<u>2017</u> S\$
Deferred tax assets	(78,699)	-
Deferred tax liabilities	-	-
	<u>(78,699)</u>	<u>-</u>
Deferred tax liabilities to be settled after more than 12 months	<u>-</u>	<u>-</u>
Deferred tax assets to be recognised after more than 12 months	<u>(78,699)</u>	<u>-</u>

11. CASH AND CASH EQUIVALENTS

	<u>2018</u> S\$	<u>2017</u> S\$
Cash at bank	6,233,032	3,564,026
Cash and cash equivalents	<u>6,233,032</u>	<u>3,564,026</u>

12. TRADE AND OTHER RECEIVABLES

These include the following:-

	<u>2018</u> S\$	<u>2017</u> S\$
<u>Trade receivables</u>		
Trade receivables - third parties	1,098,233	1,700,293
Less: Allowance for impairment loss (Note 12(iii))	(213)	-
Trade receivables – third parties, net	<u>1,098,020</u>	<u>1,700,293</u>
Unbilled revenue – third parties	232,198	474,595
Related parties (Note 12(i))	2,754,845	2,243,379
Deferred cost	170,117	-
Other receivables (Note 12(v))	4,577	512,619
Total trade and other receivables	<u>4,259,757</u>	<u>4,930,886</u>
Add:		
Other financial assets (Note 13)	72,151	71,663
Cash and cash equivalents (Note 11)	6,233,032	3,564,026
Total loans and receivables	<u>10,564,940</u>	<u>8,566,575</u>

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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12. TRADE AND OTHER RECEIVABLES (continued)

The trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(i) Related parties

These represent amounts due for sales made to the related parties. They are unsecured, interest-free and repayable under normal trading terms.

(ii) Receivables that are past due but not impaired

The Company has trade receivables that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follows:-

	<u>2018</u> S\$	<u>2017</u> S\$
Trade receivables past due	31,013	2,100,922
1 to 30 days	869,059	283,131
31 to 60 days	252,953	27,012
61 to 90 days	56,487	19,713
More than 90 days	2,643,353	138,482
	<u>3,852,865</u>	<u>2,569,260</u>

(iii) Receivables that are impaired

The carrying amount of trade receivables individually determined to be impaired at the reporting date and the movement of the allowance account used to record the impairment is as follows:-

	<u>2018</u> S\$	<u>2017</u> S\$
Trade receivables - nominal amounts	213	-
Less: Allowance for impairment	(213)	-
	<u>-</u>	<u>-</u>

Individual Impaired

	<u>2018</u> S\$	<u>2017</u> S\$
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Movements during the financial year are as follows:-

Balance at beginning of financial year	-	-
Addition during the year (Note 5)	211	-
Translation difference during the year	2	-
Balance at end of the financial year	<u>213</u>	<u>-</u>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral of credit enhancements.

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
(continued)

12. TRADE AND OTHER RECEIVABLES (continued)

Other receivables on average term of six months.

(iv) Analysis of trade receivables

The table below is an analysis of trade receivables as at the reporting date:

	<u>2018</u> S\$	<u>2017</u> S\$
Not past due and not impaired	-	1,374,412
Past due but not impaired (ii)	3,852,865	2,569,260
	<u>3,852,865</u>	<u>3,943,672</u>
Impaired receivables – collectively assessed, gross	213	-
Less: Allowance for impairment	(213)	-
	<u>-</u>	<u>-</u>
Total trade receivables, net	<u>3,852,865</u>	<u>3,943,672</u>

(v) Other receivables

	<u>2018</u> S\$	<u>2017</u> S\$
Third parties	4,577	1,228
Japan indirect taxes	-	511,391
	<u>4,577</u>	<u>512,619</u>

13. OTHER FINANCIAL ASSETS

	<u>2018</u> S\$	<u>2017</u> S\$
Sundry deposits	72,151	71,663
	<u>72,151</u>	<u>71,663</u>

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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14. PLANT AND EQUIPMENT

2018	<u>Leasehold improvements</u> S\$	<u>Computer equipment</u> S\$	<u>Furniture and fittings</u> S\$	<u>Total</u> S\$
<u>Cost</u>				
Balance as at 1.4.2017	10,714	29,195	14,745	54,654
Additions	-	2,061	-	2,061
Disposal	-	-	-	-
Translation differences	-	(95)	-	(95)
Balance as at 31.3.2018	10,714	31,161	14,745	56,620
<u>Accumulated depreciation</u>				
Balance as at 1.4.2017	10,714	26,652	14,745	52,111
Charged for the year	-	653	-	653
Disposal	-	-	-	-
Translation differences	-	(36)	-	(36)
Balance as at 31.3.2018	10,714	27,269	14,745	52,728
<u>Net book value</u>				
As at 31.3.2018	-	3,892	-	3,892

2017	<u>Leasehold improvements</u> S\$	<u>Computer equipment</u> S\$	<u>Furniture and fittings</u> S\$	<u>Total</u> S\$
<u>Cost</u>				
Balance as at 1.4.2016	10,316	26,729	14,197	51,242
Additions	-	3,527	-	3,527
Disposal	-	(2,000)	-	(2,000)
Translation differences	398	939	548	1,885
Balance as at 31.3.2017	10,714	29,195	14,745	54,654
<u>Accumulated depreciation</u>				
Balance as at 1.4.2016	9,744	25,407	14,197	49,348
Charged for the year	609	2,394	-	3,003
Disposal	-	(2,000)	-	(2,000)
Translation differences	361	851	548	1,760
Balance as at 31.3.2017	10,714	26,652	14,745	52,111
<u>Net book value</u>				
As at 31.3.2017	-	2,543	-	2,543

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15. INVESTMENT IN A SUBSIDIARY

	<u>2018</u> S\$	<u>2017</u> S\$
Balance at beginning of financial year	439,813	450,762
Allowance for impairment loss	-	(10,949)
Fair value reversal	10,949	-
Balance at end of financial year	<u>450,762</u>	<u>439,813</u>

(i) Details of the subsidiary are as follows:-

<u>Name of Subsidiary</u>	<u>Principal Activity</u>	<u>Place of Business / Country of Incorporation</u>	<u>Class of Shares Held</u>	<u>Cost</u>		<u>Percentage of equity held and effective shareholding</u>	
				<u>2018</u> S\$	<u>2017</u> S\$	<u>2018</u> %	<u>2017</u> %
Shanghai You Hua Engineering Machinery Design Co. Ltd (also known as Geometric China Inc.)	Design of automobiles and their spare parts	People's Republic of China		450,762	450,762	100	100
Less : Allowance for impairment loss				-	(10,949)		
				<u>450,762</u>	<u>439,813</u>		

Movement in allowance for impairment loss is as follows:-

	<u>2018</u> S\$	<u>2017</u> S\$
Beginning of the year	10,949	10,949
Addition	-	-
Reversal	(10,949)	-
End of the year	<u>-</u>	<u>10,949</u>

The subsidiary is audited by Chinese Certified Public Accountants, the People's Republic of China.

(ii) Acquisition of subsidiary

There is no acquisition during the financial year.

(iii) Disposal of subsidiary

There is no disposal of subsidiary during the financial year.

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16. TRADE PAYABLES

These include the following:-

	<u>2018</u> S\$	<u>2017</u> S\$
Trade payables – third parties	6,663	-
Related parties (Note 17(i))	5,033,880	4,388,529
Deferred revenue (Note 17(ii))	286,590	155,478
Other payables (Note 17(iii))	195,966	302,476
Total trade and other payables	<u>5,523,099</u>	<u>4,846,483</u>
Other financial liabilities (Note 18)	425,827	501,181
Total financial liabilities carried at amortised cost	<u>5,948,926</u>	<u>5,347,664</u>

Trade and other payables are non-interest bearing.

Trade payables are normally settled on 30 to 60 days terms.

(i) Related parties

The trade balances arose from normal trade transactions. They are unsecured, interest-free and repayable on normal trading terms.

(ii) Advance billings (Trade)

These represent advances received and receivable upon signing of long term contracts and the undue proportion of the annual maintenance contracts. These are not included in the profit or loss. The unpaid advance billings are reflected in the trade receivables.

(iii) Other payables

These include the following:-

	<u>2018</u> S\$	<u>2017</u> S\$
Third parties	195,966	302,476
	<u>195,966</u>	<u>302,476</u>

Other payables have an average term of six months.

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NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2018
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17. OTHER FINANCIAL LIABILITIES

These include accruals for:-

	<u>2018</u> S\$	<u>2017</u> S\$
Accrued for:-		
Performance bonus	109,430	-
Other operating expenses	316,397	501,181
	<u>425,827</u>	<u>501,181</u>

18. SHARE CAPITAL

	<u>2018</u> S\$	<u>2017</u> S\$
Issued and fully paid: 100,000 (2017: 100,000) ordinary shares	<u>100,000</u>	<u>100,000</u>

All issued ordinary shares are fully paid.

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

19. RELATED PARTY TRANSACTIONS

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

	<u>2018</u> S\$	<u>2017</u> S\$
<u>Income:-</u>		
Service rendered to		
- Immediate holding company	-	118,502
- Related parties	237,785	160,348
<u>Expenditure:-</u>		
Services rendered by:-		
- Immediate holding company	(3,727,180)	(4,596,839)
- Related parties	(71,043)	(376,911)
Expenses paid on behalf of the Company by the:-		
- Immediate holding company	<u>-</u>	<u>(88,710)</u>

Outstanding balances at 31 March 2018, arising from the above transactions are disclosed in Notes 12, 15 and 16 to the financial statements.

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20. LEASE COMMITMENTS

The Company leases various office premises, office equipment, equipment and applicable software licenses for sublease, under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

- (i) The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:-

	<u>2018</u> S\$	<u>2017</u> S\$
Not later than one year	8,052	41,539
Later than one year but not later than five years	11,832	-
	<u>19,884</u>	<u>41,539</u>

The Company lease office space under operating leases. Lease payments are revised on renewal and included option to renew for a period of 1 year to 2 years. None of the operating lease agreements include contingent rental.

21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors of the Company and ultimate holding company reviews and agrees policies and procedures for the management of these risks, which are executed by the local directors and the financial officers of the Company and ultimate holding company.

The undernoted sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets including cash and cash equivalents, the Company minimises the credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis resulting in the Company's exposure to bad debts are being insignificant.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position as disclosed under Note 12 to the financial statements.

No collateral is held for these receivables as these receivables are considered to be reputable and credit worthy.

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21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(a) Credit Risk (continued)

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Company's trade receivables at the reporting date is as follows:-

	<u>2018</u>		<u>2017</u>	
	<u>S\$</u>	<u>% of Total</u>	<u>S\$</u>	<u>% of Total</u>
Singapore	108,835	3	117,831	3
United States of America	541,735	14	1,266,434	32
Australia	744,973	19	438,927	11
Japan	2,062,758	54	1,962,979	50
Korea	394,564	10	155,777	4
	<u>3,852,865</u>	<u>100</u>	<u>3,941,948</u>	<u>100</u>

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Company. Cash and cash equivalents, that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (trade receivables).

(b) Market Risk

(i) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Company monitors its exposure to sales of products and services price risk by setting limits on the type and quantum of jobs that it accepts so as to reduce the level of profitability risk.

Sensitivity analysis for market price risk

The Company is always mindful of the highly competitive business environment. It remains highly competitive by increasing efficiency from synergy within the group.

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21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(b) Market Risk (continued)

(ii) Foreign Currency Risk

The Company has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currency (Singapore Dollar) of the Company.

The Company's currency exposure based on the information provided to key management are as follows:-

	2018			
	USD stated in S\$	JPY stated in S\$	KRW stated in S\$	AUD stated in S\$
Financial Assets				
Trade and other receivables	540,547	2,250,150	397,748	745,028
Other financial assets	-	66,008	-	-
Cash and cash equivalents	129,226	5,712,311	83,658	-
Total financial assets	669,773	8,028,469	481,406	745,028
Financial Liabilities				
Trade and other payables	357,987	2,874,121	166,738	555,278
Other financial liabilities	435,095	(23,127)	14,275	-
Total financial liabilities	793,082	2,850,994	181,013	555,278
Currency exposure on (financial liabilities) and financial assets	(123,309)	5,177,475	300,393	189,750

	2017			
	USD stated in S\$	JPY stated in S\$	KRW stated in S\$	AUD stated in S\$
Financial Assets				
Cash and cash equivalents	4,355,484	(286,336)	(500,925)	(8,418)
Trade and other receivables	1,485,424	2,218,629	156,531	439,266
Other financial assets	-	66,663	-	-
Total financial assets	5,840,908	1,998,956	(344,394)	430,848
Financial Liabilities				
Trade and other payables	970,828	3,199,687	161,063	406,368
Other financial liabilities	189,862	304,077	5,496	1,731
Total financial liabilities	1,160,690	3,503,764	166,559	408,099
Currency exposure on financial assets and (financial liabilities)	4,680,218	(1,504,808)	(510,953)	22,749

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21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(b) Market Risk (continued)

(ii) Foreign Currency Risk (continued)

Sensitivity analysis for foreign currency risk

As at 31 March 2018, if the USD and JPY has strengthened/weakened by 3% (2017: 3%) against the SGD with another variables including tax rates being held constant, the profit after tax of the Company would have been higher/lower by S\$125,849 (2017: S\$79,068) respectively as a result of currency translation gains/losses on USD and Euro nominated financial statements.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company do not have any borrowing exposure at the reporting date.

Sensitivity analysis for interest rate risk

The Company has no significant interest rate risk sensitivity of the reporting date.

(c) Liquidity Risk

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities. The Directors manage the liquidity through internally generated cash flows and by keeping committed credit lines available.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Cash Flows		
	One year or less S\$	Adjustment S\$	Total S\$
2018			
Trade and other payables	5,523,099	-	5,523,099
Other financial liabilities	425,827	-	425,827
Total	5,948,926	-	5,948,926

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21. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(c) Liquidity Risk (continued)

	Cash Flows		
	One year or less	Adjustment	Total
	S\$	S\$	S\$
<u>2017</u>			
Trade and other payables	4,846,483	-	4,846,483
Other financial liabilities	501,181	-	501,181
Total	<u>5,347,664</u>	<u>-</u>	<u>5,347,664</u>

(d) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Notes 12 and 16 to the financial statements.

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22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 31 March 2017.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, trade and other payables, other liabilities, less cash and short-term deposits. Capital includes total equity.

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Trade and other payables (Note 16)	5,523,099	4,846,483
Other financial liabilities (Note 17)	425,827	501,181
Less: - Cash and short-term deposits (Note 11)	(6,233,032)	(3,564,026)
Net debt	<u>(284,106)</u>	<u>1,783,638</u>
Total equity	4,379,512	2,495,506
Total capital	<u>4,379,512</u>	<u>2,495,506</u>
Capital and net debt	<u>4,095,406</u>	<u>4,279,144</u>
Gearing ratio (%)	<u>(7%)</u>	<u>41.7%</u>

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23. RECLASSIFICATION OF COMPARATIVE FIGURES

The following reclassification have been made to the previous year's financial statements so as to more accurately classify several items in the statement of comprehensive income and statement of financial position. There is no impact to the profit before tax.

The effects of the restatement are as follows:-

	<u>2018</u>	<u>2017</u> (Reclassified)	<u>2017</u> (Previously stated)
	S\$	S\$	S\$
Statement of comprehensive income			
Revenue	10,004,275	10,632,219	10,453,204
Other income	11,924	23,844	103,843
Other (losses) / gains, net	(50,760)	103,838	-
Administrative expenses	(207,386)	(803,399)	(621,788)
Withholding tax	3,710	(525,020)	-
Finance income	-	-	493
Finance costs	(12,647)	(21,218)	(468)
Income tax expense	(116,670)	(131,582)	(656,602)
Statement of financial position			
Current Asset			
Trade and other receivables	4,259,757	4,419,495	2,613,109
Other financial asset	72,151	71,663	-
Non-financial assets (Prepayment)	12,501	43,848	-
Current Liabilities			
Trade and other payables	(5,523,099)	(4,846,483)	(3,425,766)
Other financial liabilities	(425,827)	(501,181)	-

24. SUBSEQUENT EVENT

On July 2018, the Company has issued a loan of USD2,000,000 to its fellow subsidiary, Geometric Americas Inc. for its working capital at an interest rate of LIBOR + 100 bps repayable on demand.

25. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Director of the Company on 27 August 2018.