

**BLISS GVS CLINIC HEALTH CARE
PTE. LTD.**

*Registration Number: 201201813H
(Incorporated in Singapore)*

FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

(Registration Number: 201201813H)

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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BLISS GVS CLINIC HEALTH CARE PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

The directors are pleased to present their statement to the member together with the audited financial statements of Bliss GVS Clinic Health Care Pte. Ltd. (the "Company") for the financial year ended 31 March 2019.

1. Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Lim Kien Tiong, Daniel (appointed on 1 November 2018)
Gautam Rasiklall Ashra
Narsimha Shibroor Kamath

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of directors	No. of ordinary shares			
	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Company				
Narsimha Shibroor Kamath	-	-	10,000	10,000

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

4. Directors' interests in shares and debentures (continued)

Name of directors	No. of ordinary shares			
	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Holding company – Bliss GVS Pharma Limited				
Gautam Rasiklal Ashra	5,231,045	2,918,302	8,626,257	5,049,000
Narsimha Shibroor Kamath	42,017,024	34,357,024	6,000,000	

5. Share options

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

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

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

6. Auditor

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

On behalf of the Board of Directors




Gautam Rasiklal Ashra
Director

02 AUG 2019


Narsimha Shibroor Kamath
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BLISS GVS CLINIC HEALTH CARE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bliss GVS Clinic Health Care Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

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

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

Continued.....

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BLISS GVS CLINIC HEALTH CARE PTE. LTD.

(continued)

Other Information (continued)

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 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.

Continued.....

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
BLISS GVS CLINIC HEALTH CARE PTE. LTD.**
(continued)

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

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.

Continued.....

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
BLISS GVS CLINIC HEATH CARE PTE. LTD.**
(continued)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Bestar Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

02 AUG 2019

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**STATEMENT OF FINANCIAL POSITION***As at 31 March 2019*

	Note	<u>2019</u> US\$	<u>2018</u> US\$
ASSETS			
Non-current assets			
Investment in subsidiary	4	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Current assets			
Trade and other receivables	5	15,174,451	24,439,511
Cash and cash equivalents	6	42,723	1,696,441
Total current assets		<u>15,217,174</u>	<u>26,135,952</u>
Total assets		<u>15,217,174</u>	<u>26,135,952</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	8,000	8,000
Retained earnings		9,114,089	2,102,227
Total equity		<u>9,122,089</u>	<u>2,110,227</u>
Current liabilities			
Trade and other payables	8	4,958,404	24,025,725
Income tax payable	13	1,136,681	-
Total current liabilities		<u>6,095,085</u>	<u>24,025,725</u>
Total liabilities		<u>6,095,085</u>	<u>24,025,725</u>
Total equity and liabilities		<u>15,217,174</u>	<u>26,135,952</u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the financial year ended 31 March 2019*

	Note	<u>2019</u> US\$	<u>2018</u> US\$
Revenue	9	53,650,353	-
Cost of sales		(45,466,400)	-
Gross profit		<u>8,183,953</u>	<u>-</u>
Other income	10	10	3,564,411
Administrative and other operating expenses		(27,538)	(21,405)
Finance cost	11	(7,882)	(44,901)
Profit before income tax	12	<u>8,148,543</u>	<u>3,498,105</u>
Income tax expense	13	(1,136,681)	-
Net profit for the financial year		<u>7,011,862</u>	<u>3,498,105</u>
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		<u><u>7,011,862</u></u>	<u><u>3,498,105</u></u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2019*

	Share capital	(Accumulated losses) / retained earnings	Total
	US\$	US\$	US\$
At 1 April 2017	8,000	(1,395,878)	(1,387,878)
Profit for the financial year representing total comprehensive income for the financial year	-	3,498,105	3,498,105
At 31 March 2018	<u>8,000</u>	<u>2,102,227</u>	<u>2,110,227</u>
Profit for the financial year representing total comprehensive income for the financial year	-	7,011,862	7,011,862
At 31 March 2019	<u><u>8,000</u></u>	<u><u>9,114,089</u></u>	<u><u>9,122,089</u></u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2019*

	<u>2019</u> US\$	<u>2018</u> US\$
Cash flows from operating activities		
Profit before income tax	8,148,543	3,498,105
Adjustments for:		
Interest expense	7,882	44,901
Gain on disposal of subsidiary	-	(3,556,766)
Operating loss before working capital changes	8,156,425	(13,760)
Changes in working capital:		
Trade and other receivables	9,265,060	(11,610,156)
Trade and other payables	(10,043,107)	14,301,628
Net cash from operating activities	<u>7,378,378</u>	<u>2,677,712</u>
Cash flows from financing activities		
Repayment of advances from a related company	-	(20,868)
Repayment of loan from holding company	(8,525,361)	(1,000,000)
Interest paid	(506,735)	-
Net cash used in from financing activities	<u>(9,032,096)</u>	<u>(1,020,868)</u>
Net (decrease) / increase in cash and cash equivalents	(1,653,718)	1,656,844
Cash and cash equivalents at beginning of the financial year	1,696,441	39,597
Cash and cash equivalents at end of the financial year	<u>42,723</u>	<u>1,696,441</u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

1. General

Bliss GVS Clinic Health Care Pte. Ltd. (the “Company”) is incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 30 Cecil Street, #19-08, Singapore 049712.

The principal activities of the Company are those relating to manufacturing of pharmaceutical products and preparation for human use. There have been no significant changes to the Company’s principal activities during the financial year.

The Company’s immediate and ultimate holding company is Bliss GVS Pharma Limited, a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors as stated in the Directors’ Statement.

2. Significant accounting policies

(a) Basis of preparation

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

The financial statements of the Company are presented in United States Dollars (“US\$”), which is the Company’s functional currency and are prepared in accordance with the historical cost convention except for the accounting policies as stated below.

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

Interpretations and amendments to published standards effective from 1 April 2018

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

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

FRS 109 Financial instruments

The nature of the adjustments are described below:

(a) **Classification and measurement**

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

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

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

- Other receivables (excluding advances to suppliers) classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

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

In summary, upon the adoption of FRS 109, the Company had the following required or elected reclassifications as at 1 April 2018:

FRS 39 measurement category	US\$	FRS 109 measurement category		
		FVPL US\$	FVOCI US\$	Amortised cost US\$
<u>Loans and receivables</u>				
Other receivables (excluding advances to suppliers)	13,907,131			13,907,131

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

FRS 109 Financial instruments

(b) Impairment

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

Upon adoption of FRS 109, the Company assessed that no impairment needs to be recognised on the Company's trade receivables.

FRS 115 Revenue from Contracts with Customers

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

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

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

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of accumulated losses. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations. The adoption of FRS 115 had no material effect on the amounts reported for current and prior financial years.

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies *(continued)*

(b) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

(c) Financial assets

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

(i) Initial recognition and measurement

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

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

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

(ii) Subsequent measurement

Investments in debt instruments

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

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(c) Financial assets (continued)

(ii) Subsequent measurement (continued)

Investments in debt instruments (continued)

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

(iii) De-recognition

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

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

(i) Initial recognition and measurement

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

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

The Company has financial assets which are all classified as loans and receivables.

(ii) Subsequent measurement

Loans and receivables

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

Loans and receivables comprise other receivables (excluding advances to suppliers) and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(c) Financial assets (continued)

(iii) De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. 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.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of change in value.

(e) Impairment of financial assets

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

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

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

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(e) Impairment of financial assets (continued)

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

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

Financial assets carried at amortised cost

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(f) Share capital

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

(g) Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

After the initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables (excluding advances from customers).

(iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(h) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

Sale of goods

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

Other income

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

(i) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the financial year end date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

(j) Taxes (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

3. Critical accounting judgement and key sources of estimation uncertainty

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

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

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

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

Determination of functional currency

The Company measures foreign currency transactions in the functional currency of the Company. In determining the functional currency of the Company, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

(ii) Key sources of estimation uncertainty

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

Income taxes

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

4. Investment in subsidiary

	<u>2019</u> US\$	<u>2018</u> US\$
Equity investment at cost:		
At beginning of financial year	-	8,426,450
Disposal during the financial year	-	(8,426,450)
At end of financial year	-	-

During the previous financial year, the Company had disposed its subsidiary for a total consideration of US\$12,000,000. The consideration for the disposal of subsidiary remains outstanding as at 31 March 2018 and is shown as amount due from a third party under other receivables in Note 5. The gain on disposal of US\$3,556,766 was recognised in other income (Note 10) in the previous financial year.

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2019***5. Trade and other receivables**

	<u>2019</u> US\$	<u>2018</u> US\$
Trade receivables		
- Third party	14,147,320	
Other receivables		
- Advances to suppliers	-	10,532,380
- Amount due from a related company	1,027,131	1,907,131
- Amount due from a third party (Note 4)	-	12,000,000
	<u>15,174,451</u>	<u>24,439,511</u>

Trade receivables are non-interest bearing and are generally on 180 days' terms.

Amount due from a related company is non-trade in nature, interest-free and repayable on demand.

Amount due from a third party represents unpaid consideration for the sale proceeds from the disposal of subsidiary as at the end of previous financial year. The balance was unsecured, interest-free and was fully repaid during the current financial year.

6. Cash and cash equivalents

	<u>2019</u> US\$	<u>2018</u> US\$
Cash at banks	<u>42,723</u>	<u>1,696,441</u>

Cash and cash equivalents are denominated in the following currencies:

	<u>2019</u> US\$	<u>2018</u> US\$
Singapore Dollar	17,382	18,769
United States Dollar	25,341	1,677,672
	<u>42,723</u>	<u>1,696,441</u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2019***7. Share capital**

	<u>2019</u> US\$	<u>2018</u> US\$
Issued and fully paid share capital		
At beginning and end of financial year:		
10,000 (2018: 10,000) ordinary shares	<u>8,000</u>	<u>8,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares have no par value and carry one vote per share without restriction.

8. Trade and other payables

	<u>2019</u> US\$	<u>2018</u> US\$
Trade payables		
- Third party	4,267,499	-
Other payables		
- Accruals	4,906	4,983
- Advances from customers	-	14,319,320
- Loan from holding company	-	8,525,361
- Interest due to holding company	676,026	1,169,326
- Withholding tax payable	1,182	6,735
- Other creditor	8,791	-
	<u>4,958,404</u>	<u>24,025,725</u>

Trade payables are non-interest bearing and are generally on 180 days' terms.

Loan from holding company was unsecured, bears interest at 0.5% (2018: 0.5%) per annum and repayable on demand. The principal amount of the loan from holding company was repaid in full during the financial year.

9. Revenue

	<u>2019</u> US\$	<u>2018</u> US\$
Sales of goods	<u>53,650,353</u>	<u>-</u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2019*

10. Other income

	<u>2019</u> US\$	<u>2018</u> US\$
Foreign exchange gain	-	946
Gain on disposal of investment in subsidiary	-	3,556,766
Other payables written off	10	6,699
	<u>10</u>	<u>3,564,411</u>

11. Finance cost

	<u>2019</u> US\$	<u>2018</u> US\$
Interest on loan from holding company	<u>7,882</u>	<u>44,901</u>

12. Profit before income tax

This is arrived at after charging the following items:

	<u>2019</u> US\$	<u>2018</u> US\$
Foreign exchange loss	831	-
Professional fees	<u>13,996</u>	<u>9,161</u>

13. Income tax expense

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

	<u>2019</u> US\$	<u>2018</u> US\$
Current income tax		
- Current year	<u>1,136,681</u>	<u>-</u>

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2019***13. Income tax expense (continued)**

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2018: 17%) to profit before income tax as a result of the following differences:

	<u>2019</u> US\$	<u>2018</u> US\$
Profit before income tax	8,148,543	3,498,105
Income tax expense at statutory rate	1,385,252	594,678
Expenses not deductible for tax purposes	-	13,964
Income not subject to tax	(2)	(608,642)
Exempt income	(12,833)	-
Other factor	(235,736)	-
	<u>1,136,681</u>	<u>-</u>

Movements in income tax payable are as follows:

	<u>2019</u> US\$	<u>2018</u> US\$
Balance at beginning of financial year	-	-
Current income tax provision	1,136,681	-
Balance at end of financial year	<u>1,136,681</u>	<u>-</u>

14. Related party transactions

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

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

	<u>2019</u> US\$	<u>2018</u> US\$
Interest charged by holding company	<u>7,882</u>	<u>44,901</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and foreign currency risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 180 days, default of interest due for more than 180 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15. Financial risk management (continued)

Credit risk (continued)

The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment. The Company determined that its financial assets are credit-impaired when:

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

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >180 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >210 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

BLISS GVS CLINIC HEALTH CARE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15. Financial risk management (continued)

Credit risk (continued)

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
31 March 2019						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	14,147,320	-	14,147,320
Other receivables	5	I	12-month ECL	1,027,131	-	1,027,131
1 April 2018						
Other receivables (excluding advances to suppliers)	5	I	12-month ECL	13,907,131	-	13,907,131

Trade receivables (Note 1)

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

The below is an analysis of trade receivables as at financial year end:

	<u>2019</u> US\$	<u>2018</u> US\$
Not past due and not impaired	<u>14,147,320</u>	<u>-</u>

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15. Financial risk management (continued)

Credit risk (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

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

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

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

Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from transactions that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15. Financial risk management (continued)

Foreign currency risk (continued)

The Company's currency exposures to SGD at the reporting date were as follows:

	<u>2018</u>	<u>2018</u>
	SGD	SGD
	US\$	US\$
Financial assets		
Cash and cash equivalents	<u>17,382</u>	<u>18,769</u>

A 10% strengthening of United States Dollar against the foreign currency denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax	
	<u>2019</u>	<u>2018</u>
	US\$	US\$
Singapore Dollar	<u>1,443</u>	<u>1,558</u>

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

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

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

17. Financial instruments by category

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

	<u>2019</u> US\$	<u>2018</u> US\$
Financial assets measured at amortised cost		
Trade and other receivables (excluding advances to suppliers)	15,174,451	13,907,131
Cash and cash equivalents	42,723	1,696,441
	<u>15,217,174</u>	<u>15,603,572</u>
Financial liabilities measured at amortised cost		
Trade and other payables (excluding advances from customers)	<u>4,958,404</u>	<u>9,706,405</u>

18. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year. The Company's overall strategy remains unchanged from previous financial year.

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

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 April 2019. However, management anticipates that the adoption of these standards and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

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

BLISS GVS CLINIC HEALTH CARE PTE. LTD.**DETAILED INCOME STATEMENT***For the financial year ended 31 March 2019*

	<u>2019</u> US\$	<u>2018</u> US\$
Revenue		
Sales of goods	53,650,353	-
Less: Cost of sales		
Purchases	<u>(45,466,400)</u>	<u>-</u>
Gross profit	8,183,953	-
Add: Other income		
Foreign exchange gain	-	946
Gain on disposal of investment in subsidiary	-	3,556,766
Other payables written off	10	6,699
	<u>10</u>	<u>3,564,411</u>
Less: Administrative and other operating expenses		
Audit fees	1,906	1,983
Bank charges	9,649	3,368
Filing fees	-	203
Foreign exchange loss	831	-
Interest on withholding tax payable	-	1,063
Legal charges	145	-
Penalty	-	5,627
Professional fees	13,996	9,161
Travelling expenses	1,011	-
	<u>27,538</u>	<u>21,405</u>
Less: Finance cost		
Interest on loan from holding company	<u>7,882</u>	<u>44,901</u>
Profit before income tax	<u>8,148,543</u>	<u>3,498,105</u>

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