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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FUTURE MERCHANDISING & SOURCING PTE. LTD.**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Future Merchandising & Outsourcing Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 19 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 1 April 2020 to 19 March 2021, 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 19 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the financial period from 1 April 2020 to 19 March 2021.

#### *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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
FUTURE MERCHANDISING & SOURCING 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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
FUTURE MERCHANDISING & SOURCING 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.

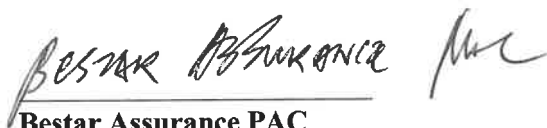
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
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*(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

**25 MAR 2021**

**FUTURE MERCHANDISING & SOURCING PTE. LTD.****STATEMENT OF FINANCIAL POSITION***As at 19 March 2021*

	Note	<u>19 Mar 2021</u> US\$	<u>31 Mar 2020</u> US\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	<u>-</u>	<u>16,624</u>
<b>Total current assets</b>		<u>-</u>	<u>16,624</u>
<b>Total assets</b>		<u>-</u>	<u>16,624</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	30,000	30,000
Accumulated losses		<u>(30,000)</u>	<u>(19,649)</u>
<b>Total equity</b>		<u>-</u>	<u>10,351</u>
<b>Current liabilities</b>			
Other payables	6	<u>-</u>	<u>6,273</u>
<b>Total current liabilities</b>		<u>-</u>	<u>6,273</u>
<b>Total liabilities</b>		<u>-</u>	<u>6,273</u>
<b>Total equity and liabilities</b>		<u>-</u>	<u>16,624</u>

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the financial period from 1 April 2020 to 19 March 2021*

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		<b>01.04.2020 to <u>19.03.2021</u> US\$</b>	<b>01.04.2019 to <u>31.03.2020</u> US\$</b>
Revenue		-	-
Administrative and other operating expenses		(10,351)	(6,710)
<b>Loss before income tax</b>	7	<u>(10,351)</u>	<u>(6,710)</u>
Income tax expense	8	-	-
<b>Net loss for the financial period / year</b>		<u>(10,351)</u>	<u>(6,710)</u>
<b>Other comprehensive income, net of tax</b>		-	-
<b>Total comprehensive loss for the financial period / year</b>		<u>(10,351)</u>	<u>(6,710)</u>

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### STATEMENT OF CHANGES IN EQUITY

*For the financial period from 1 April 2020 to 19 March 2021*

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	<b>Share capital US\$</b>	<b>Accumulated losses US\$</b>	<b>Total US\$</b>
At 1 April 2019	30,000	(12,939)	17,061
Loss for the financial year representing total comprehensive loss for the financial year	-	(6,710)	(6,710)
Balance as at 31 March 2020	<u>30,000</u>	<u>(19,649)</u>	<u>10,351</u>
Loss for the financial year representing total comprehensive loss for the financial period	-	(10,351)	(10,351)
Balance as at 19 March 2021	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### STATEMENT OF CASH FLOWS

*For the financial period from 1 April 2020 to 19 March 2021*

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	<b>01.04.2020 to <u>19.03.2021</u> US\$</b>	<b>01.04.2019 to <u>31.03.2020</u> US\$</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	<u>(10,351)</u>	<u>(6,710)</u>
Operating loss before working capital changes	(10,351)	(6,710)
Changes in working capital:		
Other payables	<u>(6,273)</u>	<u>(90)</u>
<b>Net cash used in operating activities</b>	<u>(16,624)</u>	<u>(6,800)</u>
<b>Net decrease in cash and cash equivalents</b>	(16,624)	(6,800)
<b>Cash and cash equivalents at beginning of the financial period / year</b>	<u>16,624</u>	<u>23,424</u>
<b>Cash and cash equivalents at end of the financial period / year</b>	<u>-</u>	<u>16,624</u>



# FUTURE MERCHANDISING & SOURCING PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial period from 1 April 2020 to 19 March 2021*

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

### 1. General

Future Merchandising & Sourcing Pte. Ltd. (the “Company”) is incorporated and domiciled in Singapore. The registered office and principal place of business is located at 14 Robinson Road, #08-01A Far East Finance Building, Singapore 048545.

The principal activities of the Company are those of general wholesale trade (including general importers and exporters). There have been no significant changes to the Company’s principal activities during the financial period. The Company was dormant during the financial period and had ceased business on 19 March 2021 and will apply for deregistration subsequent to the financial period end date.

The Company’s immediate and ultimate holding company is Future Enterprises Limited, a company incorporated in India.

The financial statements of the Company for the financial period from 1 April 2020 to 19 March 2021 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 on realisation basis as the Company will be de-registered after the financial period end date.

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 2020*

On 1 April 2020, the Company adopted the new or amended FRS and interpretations to 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 the 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 period.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial period from 1 April 2020 to 19 March 2021*

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**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.

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 instruments

*Financial assets*

(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 fair value through profit or loss (“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.

(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, fair value through other comprehensive income (“FVOCI”) and FVPL. The Company only has debt instruments at amortised cost.

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

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial period from 1 April 2020 to 19 March 2021*

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#### 2. Significant accounting policies (continued)

##### (c) Financial instruments (continued)

###### *Financial assets* (continued)

##### (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.

###### *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 liabilities at initial recognition.

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

##### (ii) Subsequent measurement

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

##### (iii) De-recognition

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial period from 1 April 2020 to 19 March 2021*

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**2. Significant accounting policies (continued)**

(d) Impairment of financial assets

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).

The Company may 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.

(e) Cash and cash equivalents

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

(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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial period from 1 April 2020 to 19 March 2021*

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**2. Significant accounting policies (continued)**

(g) 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 reporting date.

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

*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.

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2020 to 19 March 2021

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

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

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

##### (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. Cash and cash equivalents

	<u>19 Mar 2021</u> US\$	<u>31 Mar 2020</u> US\$
Cash at bank	-	16,624

Cash and cash equivalents were denominated in the following currencies:

	<u>19 Mar 2021</u> US\$	<u>31 Mar 2020</u> US\$
Singapore Dollar	-	4,235
United States Dollar	-	12,389
	-	16,624

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2020 to 19 March 2021

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#### 5. Share capital

	<u>19 Mar 2021</u> US\$	<u>31 Mar 2020</u> US\$
<b>Issued and fully paid share capital</b>		
At the beginning of financial period / year:		
30,000 (2020: 30,000) ordinary shares	<u>30,000</u>	<u>30,000</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.

#### 6. Other payables

	<u>19 Mar 2021</u> US\$	<u>31 Mar 2020</u> US\$
Accruals	-	1,986
Other creditor	-	4,287
	<u>-</u>	<u>6,273</u>

Other payables were denominated in Singapore Dollar.

#### 7. Loss before income tax

This is arrived at after charging the following items:

	<u>01.04.2020</u> to <u>19.03.2021</u> US\$	<u>01.04.2019</u> to <u>31.03.2020</u> US\$
Foreign exchange (gain) / loss	(101)	250
Secretarial and tax fees	<u>8,574</u>	<u>4,037</u>

## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial period from 1 April 2020 to 19 March 2021*

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#### 8. Income tax expense

The Company is not subject to any taxation in respect of the current financial period as it has no chargeable income.

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2020: 17%) to loss before income tax as a result of the following differences:

	<b>01.04.2020 to 19.03.2021 US\$</b>	<b>01.04.2019 to 31.03.2020 US\$</b>
Loss before income tax	<u>(10,351)</u>	<u>(6,710)</u>
Income tax expense at statutory rate	(1,760)	(1,141)
Non-deductible expenses for tax purposes	<u>1,760</u>	<u>1,141</u>
	<u>-</u>	<u>-</u>

#### 9. 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.

There were no other transactions that took place between the Company and related parties other than the information disclosed elsewhere in the financial statements.

#### 10. Comparative information

The financial statements for 2021 cover the financial period from 1 April 2020 to 19 March 2021. The financial statements for 2020 cover the financial period from 1 April 2019 to 31 March 2020. Hence, they are not comparable.



## FUTURE MERCHANDISING & SOURCING PTE. LTD.

### DETAILED INCOME STATEMENT

*For the financial period from 1 April 2020 to 19 March 2021*

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	<b>01.04.2020 to <u>19.03.2021</u> US\$</b>	<b>01.04.2019 to <u>31.03.2020</u> US\$</b>
<b>Revenue</b>	-	-
<b>Less: Administrative expenses</b>		
Audit fee	1,580	1,858
Bank charges	223	52
Foreign exchange (gain) / loss	(101)	250
Out-of-pocket expenses	75	379
Secretarial and tax fees	8,574	4,037
Other expenses	-	134
	<u>10,351</u>	<u>6,710</u>
<b>Loss before income tax</b>	<u>(10,351)</u>	<u>(6,710)</u>

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