

Company No. LL 08316

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

FINANCIAL STATEMENTS

31 MARCH 2017

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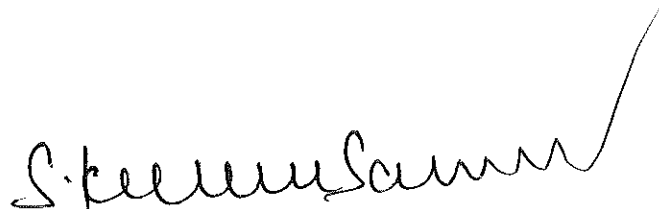
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FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

STATEMENT BY DIRECTORS

I, SONAI KEDHA SANKAR being a director of FINEOTEX MALAYSIA LIMITED., do hereby state that, in the opinion of the directors, the financial statements set out on pages 4 to 12 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the results of its operations and the cash flows of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors.



SONAI KEDHA SANKAR

Dated: **25 JUL 2017**



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FINEOTEX MALAYSIA LIMITED**
(Company No.: LL 08316)
(Incorporated in the Federal Territory of Labuan, Malaysia)

Report on the Financial Statements

We have audited the financial statements of FINEOTEX MALAYSIA LIMITED, which comprise the balance sheet as at 31 March 2017 of the Company, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 12.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with applicable approved accounting standards in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FINEOTEX MALAYSIA LIMITED (CONT'D)**
(Company No.: LL 08316)
(Incorporated in the Federal Territory of Labuan, Malaysia)

Opinion

In our opinion, the financial statements have give a true and fair view of the financial position of the Company as of 31 March 2017 and of its financial performance and cash flows for the year then ended in accordance with applicable approved accounting standards in Malaysia.

Other Matters

This report is made solely to the members of the Company and for no other purpose. We do not assume responsibility to any other person for the content of this report.

S F CHANG & CO.
Firm Number: AAL 0053
Chartered Accountants

CHANG SIEW FOONG
Approved Number: 2199/11/17 (J)
Chartered Accountant

KUALA LUMPUR
Dated: 25 July 2017

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

BALANCE SHEET AS AT 31 MARCH 2017

	Note	2017 USD	2016 USD
Non-Current Asset			
Investment in subsidiary companies	3	1,792,258	1,792,258
Current Assets			
Trade receivables		702,464	-
Dividend receivables		-	109,708
Fixed deposit with licensed bank		242,307	86,010
Cash and bank balances		64,906	349,955
		1,009,677	545,673
Current Liabilities			
Trade payables		561,971	-
Other payables	4	1,015	5,801
Tax payable		1,340	654
		564,326	6,455
Net current assets		445,351	539,218
		2,237,609	2,331,476
Financed by:			
Share capital	5	1,890,218	1,890,218
Retained profits		347,391	441,258
		2,237,609	2,331,476

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 USD	2016 USD
Income from offshore trading activities			
Revenue		702,464	-
Cost of Goods Sold		(561,971)	-
Gross Profit		140,493	-
Other income	6	10,400	17,535
Administrative expenses		(84,486)	(12,711)
Profit before taxation	7	66,407	4,824
Tax expense		-	-
Net profit from offshore trading activities for the financial year		66,407	4,824
Income from domestic activities			
Other income	6	80,876	808,664
Administrative expenses		(39,788)	(38,187)
Profit before taxation	7	41,088	770,477
Tax expense	8	(1,362)	(727)
Net profit from domestic activities for the financial year		39,726	769,750
Total net profit for the financial year		106,133	774,574

The accompanying notes form an integral part of the financial statements.

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Share Capital USD	Retained Profits USD	Total USD
Balance at 1 April 2015		1,890,218	66,684	1,956,902
Net profit for the financial year		-	774,574	774,574
Dividend	9	-	(400,000)	(400,000)
Balance at 31 March 2016		<u>1,890,218</u>	<u>441,258</u>	<u>2,331,476</u>
Balance at 1 April 2016		1,890,218	441,258	2,331,476
Net profit for the financial year		-	106,133	106,133
Dividend	9	-	(200,000)	(200,000)
Balance at 31 March 2017		<u>1,890,218</u>	<u>347,391</u>	<u>2,237,609</u>

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	2017	2016
	USD	USD
Cash Flows From Operating Activities		
Profit before taxation		
- Income from offshore trading activities	66,407	4,824
- Income from domestic activities	41,088	770,477
Operating profit before working capital changes	<u>107,495</u>	<u>775,301</u>
Decrease/(Increase) in working capital		
Trade receivables	(702,464)	-
Amount owing by subsidiary companies	-	30,362
Dividend receivable	109,708	(109,708)
Trade payables	561,971	-
Other payables	(4,786)	3,864
Amount owing to holding company	-	(90,000)
	<u>(35,571)</u>	<u>(165,482)</u>
Cash generated from operations	71,924	609,819
Tax paid	(676)	(945)
Net cash from operating activities	<u>71,248</u>	<u>608,874</u>
Cash Flows From Financing Activity		
Dividend paid	(200,000)	(400,000)
Net cash used in financing activity	<u>(200,000)</u>	<u>(400,000)</u>
Net (decrease) / increase in cash and cash equivalents	(128,752)	208,874
Cash and cash equivalents at beginning of the financial year	435,965	227,091
Cash and cash equivalents at end of the financial year	<u>307,213</u>	<u>435,965</u>
Cash and cash equivalents at end of the financial year comprises:		
Cash and bank balances	64,906	349,955
Fixed deposit with licensed bank	242,307	86,010
	<u>307,213</u>	<u>435,965</u>

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The principal activity of the Company is engaged in offshore trading and investment holding activities.

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The holding company is Fineotex Chemical Limited, a company is incorporated in India.

The registered office and principal place of business of the Company are located at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 F.T. Labuan Malaysia.

At the end of the financial year, the total number of employees of the Company was nil.

The Company was incorporated in Federal Territory of Labuan, Malaysia and is not required to produce annual audited financial statements. Hence, the financial statements were prepared for the purpose of preparation of consolidated financial statements of the holding company.

2. Significant Accounting Policies

(a) Basis of accounting

The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with applicable approved accounting standards in Malaysia.

(b) Investment in subsidiary companies

A subsidiary company is an enterprise in which the Company has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on an individual basis.

Gains or losses arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the investment, and is recognised in the income statement.

2. Significant Accounting Policies (Cont'd)**(c) Trade Receivables**

Trade receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful receivables is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Share capital

Ordinary shares with discretionary dividends are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

(g) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into USD at the rates of exchange ruling at that date and exchange differences are taken to the income statement. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

The closing exchange rates used for each unit of the main foreign currencies in the Company are:-

	2017	2016
	RM	RM
1 USD	<u>4.42</u>	<u>3.90</u>

2. Significant Accounting Policies (Cont'd)**(h) Revenue recognition**

Revenue is recognised upon delivery of products and customer acceptance, net of discounts.

(i) Income tax

Taxation for the year comprises current tax.

Current tax is the expected amount of income taxes payable in respect of taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

3. Investment in Subsidiary Companies

	2017 USD	2016 USD
Unquoted shares, at cost In Malaysia	<u>1,792,258</u>	<u>1,792,258</u>

Details of the subsidiary companies are as follows:

Name of Company	Effective equity interest		Principal activities
	2017	2016	
BT Biotex Sdn. Bhd.	57.14%	60%	Trading & Exporting
BT Chemicals Sdn. Bhd.	57.14%	60%	Manufacturing
BT Exxon Sdn. Bhd.	57.14%	60%	Trading & Exporting

4. Other Payables

	2017 USD	2016 USD
Other payables	-	4,150
Accruals	<u>1,015</u>	<u>1,651</u>
	<u>1,015</u>	<u>5,801</u>

5. Share Capital

	2017	2016
	USD	USD
Issued and fully paid	<u>1,890,218</u>	<u>1,890,218</u>

6. Other Income

	2017	2016
	USD	USD
Income from offshore trading activities		
Consultancy charges	<u>10,400</u>	<u>17,535</u>
Income from domestic activities		
Reimbursement of sales development expenses	16,241	38,051
Interest income	5,571	2,772
Dividend income	<u>59,064</u>	<u>767,841</u>
	<u>80,876</u>	<u>808,664</u>

7. Profit before Taxation

Profit before taxation is derived after charging:

	2017	2016
	USD	USD
Auditors' remuneration	543	619
Directors' remuneration	39,788	38,187
Loss on foreign exchange - unrealised	27,847	-
Loss on foreign exchange - realised	<u>48,378</u>	<u>1,981</u>

8. Tax Expense

Component of tax expense for domestic activities:

	2017	2016
	USD	USD
Current tax expense	1,340	654
Under provision in prior year	22	73
	<u>1,362</u>	<u>727</u>

The current tax expense is in respect of interest income for the current financial year.

9. Dividend

	2017 USD	2016 USD
Interim		
- A single tier tax exempt dividend of USD 0.105 per share for the financial year ended 31 March 2017	200,000	-
- A single tier tax exempt dividend of USD 0.211 per share for the financial year ended 31 March 2016	-	400,000
	<u>200,000</u>	<u>400,000</u>

10. Date of Authorisation for Issue

The financial statements of the Company for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 25 July 2017.