ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration Number: 200107453K)
AND ITS SUBSIDIARY

FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2019

ROHAN • MAH & PARTNERS LLP
Chartered Accountants, Singapore

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.
(Incorporated in the Republic of Singapore)
AND ITS SUBSIDIARY

Directors

Venkatachalam Krishnakumar	
Wong Gen Kown	
Jimmy Ying Wai Tse	(Appointed on 1 May 2019)
Brian Scott Higgins	(Appointed on 1 May 2019)
Jane Murphy	(Appointed on 15 March 2019)

Secretaries

Kong Yuh Ling Doreen
Nur Iman Binte Rohan

Registered Office

1 Fusionopolis Place
#12-10 Galaxis
Singapore 138522

Auditor

Rohan • Mah & Partners LLP

Bankers

Citibank, N. A., Singapore Branch, Singapore
Citibank, N. A., Tokyo Branch, Japan
Citigroup Pty Limited, Sydney, Australia
KEB Hana Bank, Chungmuro Branch, South Korea

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Oracle Financial Services Software Pte. Ltd. (the "Company") and its subsidiary (collectively the "Group") for the financial year ended 31 March 2019.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the year then ended; and

(b) at the date of this statements, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

The directors of the company in office at the date of this statement are:

Venkatachalam Krishnakumar	
Wong Gen Kown	
Jimmy Ying Wai Tse	(Appointed on 1 May 2019)
Brian Scott Higgins	(Appointed on 1 May 2019)
Jane Murphy	(Appointed on 15 March 2019)

3 ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR 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 whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4 DIRECTORS' INTEREST IN SHARES OR 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:

	Direct interest	
	At beginning of year	**At end of year**
Ultimate Holding Company		
- Oracle Corporation		
Name of Director		
Wong Gen Kown	-	32

4 DIRECTORS' INTEREST IN SHARES OR DEBENTURES - cont'd

	Direct interest	
	At beginning of year	At end of year
Immediate Holding Company		
- Oracle Financial Services Software Limited		
Name of Director		
Venkatachalam Krishnakumar	538	2,538
Wong Gen Kown	63	250

5 SHARE OPTIONS

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

There were no shares issued during the financial year by virtue of the exercise of 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

The auditor, Messrs. Rohan • Mah & Partners LLP has expressed its willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

....
Venkatachalam Krishnakumar
Director

....
Wong Gen Kown
Director

Singapore,
20 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.
(Incorporated in the Republic of Singapore)
AND ITS SUBSIDIARY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oracle Financial Services Software Pte. Ltd. (the "Company") and its subsidiary (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group for the year ended 31 March 2019, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 to the financial statements with respect to the subsidiary's ability to continue as a going concern. The subsidiary incurred a net loss during the year ended 31 March 2019 and, as of reporting date the subsidiary's current liabilities exceeded its current assets and the accumulated losses exceeded the paid-up capital. These factors indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern. The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the subsidiary's ability to operate as a going concern as set forth in Note 2.2 to the financial statements. In the event that the subsidiary is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the subsidiary may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.
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Going Concern Basis of Accounting

The material uncertainty identified above does not indicate that the going concern basis of accounting is inappropriate. The subsidiary's financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the subsidiary or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Group's financial statements is appropriate.

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.

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.
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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.
(Incorporated in the Republic of Singapore)
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Auditor's Responsibilities for the Audit of the Financial Statements - cont'd

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Rohan . Mah & Partners LLP

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore
20 September 2019
(RK/MA./SR/KS/CT/DB/WQ/ccy)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

The Group	Note	31.03.2019 US$	31.03.2018 US$ Restated	31.03.2017 US$ Restated
ASSETS LESS LIABILITIES				
Non-Current Assets				
Plant and equipment	3	7,292	7,590	42,057
Intangible assets	5	-	-	-
Other receivables	6	319,660	284,146	-
		326,952	291,736	42,057
Current Assets				
Trade receivables	7	37,728,548	34,051,308	14,205,669
Other receivables	6	1,732,401	10,698,752	6,201,106
Contract assets	8	17,519,229	16,814,694	10,428,103
Cash and cash equivalents	9	11,217,149	12,518,167	7,933,350
		68,197,327	74,082,921	38,768,228
Current Liabilities				
Trade and other payables	10	30,288,153	29,213,467	15,813,724
Contract liabilities	11	21,494,401	22,013,426	13,721,315
Current tax liabilities		713,814	1,091,565	154,873
		52,496,368	52,318,458	29,689,912
Net Current Assets		15,700,959	21,764,463	9,078,316
Non-Current Liabilities				
Deferred taxation	12	64,012	66,703	62,396
Net Assets		15,963,899	21,989,496	9,057,977
Capital and reserves attributable to equity holders of the Company				
Share capital	13	136,525	136,525	136,525
Capital contribution	14	2,876,090	2,058,975	1,573,591
Retained profits		14,961,478	20,726,673	8,580,438
Translation reserve		(2,010,194)	(932,677)	(1,232,577)
Total Equity		15,963,899	21,989,496	9,057,977

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

The Company	Note	31.03.2019 US$	31.03.2018 US$ Restated	31.03.2017 US$ Restated
ASSETS LESS LIABILITIES				
Non-Current Assets				
Plant and equipment	3	7,292	7,590	42,057
Investment in subsidiary	4	-	-	-
Intangible assets	5	-	-	-
Other receivables	6	319,660	284,146	-
		326,952	291,736	42,057
Current Assets				
Trade receivables	7	37,728,548	34,051,308	14,205,669
Other receivables	6	1,732,401	10,698,752	6,201,106
Contract assets	8	17,519,229	16,814,694	10,428,103
Cash and cash equivalents	9	11,116,648	12,389,962	7,596,862
		68,096,826	73,954,716	38,431,740
Current Liabilities				
Trade and other payables	10	30,285,203	29,210,408	15,808,019
Contract liabilities	11	21,494,401	22,013,426	13,721,315
Current tax liabilities		713,814	1,091,565	154,873
		52,493,418	52,315,399	29,684,207
Net Current Assets		15,603,408	21,639,317	8,747,533
Non-Current Liabilities				
Deferred taxation	12	64,012	66,703	62,396
Net Assets		15,866,348	21,864,350	8,727,194
Capital and reserves attributable to equity holders of the Company				
Share capital	13	136,525	136,525	136,525
Capital contribution	14	2,876,090	2,058,975	1,573,591
Retained profits	15	16,354,469	21,960,821	9,846,687
Translation reserve		(3,500,736)	(2,291,971)	(2,829,609)
Total Equity		15,866,348	21,864,350	8,727,194

The accompanying notes form an integral part of these audited financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

Continuing operations

	Note	01.04.2018 to 31.03.2019 US$	01.04.2017 to 31.03.2018 US$ Restated
Revenue	16	174,173,834	189,881,820
Cost of services performed		(126,100,541)	(158,740,840)
Gross profit		48,073,293	31,140,980
Other income	17	103,724	388,306
Administrative expenses	18	(47,263,176)	(13,387,951)
Other operating expenses	20	(468,511)	(207,662)
Profit before taxation		445,330	17,933,673
Taxation	21	(6,210,525)	(5,787,438)
(Loss)/Profit from continuing operations		(5,765,195)	12,146,235
Other comprehensive (loss)/income			
Currency translation differences arising from consolidation		(1,077,517)	299,900
Other comprehensive (loss)/income, net of tax		(1,077,517)	299,900
Total comprehensive (loss)/income		(6,842,712)	12,446,135
(Loss)/Profit attributable to:			
Equity holders of the Company		(5,765,195)	12,146,235
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(6,842,712)	12,446,135

ORACLE FINANCIAL SERVICES SOFTWARE PTE. LTD.
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

The Group	Attributable to equity holders of the Company				
	Share Capital US$	Capital Contribution US$	Retained Profits US$	Translation Reserve US$	Total US$
As at 1 April 2017	136,525	-	10,154,029	(1,232,577)	9,057,977
Prior year adjustments (Note 29)	-	1,573,591	(1,573,591)	-	-
As at 1 April 2017, as restated	136,525	1,573,591	8,580,438	(1,232,577)	9,057,977
Total comprehensive income for the year	-	-	11,994,277	299,900	12,294,177
Prior year adjustments (Note 29)	-	-	151,958	-	151,958
Total comprehensive income for the year, as restated	-	-	12,146,235	299,900	12,446,135
Employee stock compensation charge, as restated	-	485,384	-	-	485,384
As at 31 March 2018, as restated	136,525	2,058,975	20,726,673	(932,677)	21,989,496
Total comprehensive loss for the year	-	-	(5,765,195)	(1,077,517)	(6,842,712)
Employee stock compensation charge	-	817,115	-	-	817,115
As at 31 March 2019	136,525	2,876,090	14,961,478	(2,010,194)	15,963,899

The accompanying notes form an integral part of these audited financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	01.04.2018 to 31.03.2019 US$	01.04.2017 to 31.03.2018 US$ Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	445,330	17,933,673
Adjustments for:		
Allowance for expected credit loss	241,860	440,391
Depreciation of plant and equipment	287	16,206
Employee stock options compensation expense	817,115	485,384
Fixed asset written off	-	13,398
Foreign exchange difference in plant and equipment	11	4,863
Interest income	(44,468)	(68,115)
Reversal for doubtful debts	(132,978)	(128,906)
Operating profit before working capital changes	1,327,157	18,696,894
Working capital changes, excluding changes related to cash:		
Trade receivables	(4,490,657)	(26,543,715)
Other receivables	108,252	(345,336)
Trade and other payables	555,661	21,691,854
Cash (used in)/generated from operations	(2,499,587)	13,499,697
Interest received	44,468	68,115
Income taxes paid (net)	(6,588,276)	(4,850,746)
Net cash (used in)/generated from operating activities	(9,043,395)	8,717,066
CASH FLOWS FROM INVESTING ACTIVITIES		
Amount due from immediate holding company - non-trade	8,632,640	(4,440,676)
Amount due from related companies - non-trade	189,945	(147,737)
Net cash generated from/(used in) investing activities	8,822,585	(4,588,413)
Net (decrease)/increase in cash and cash equivalents	(220,810)	4,128,653
Effect of exchange rate fluctuation on cash and cash equivalent	(1,080,208)	456,164
Cash and cash equivalents at beginning of financial year	12,518,167	7,933,350
Cash and cash equivalents at the end of the financial year (Note 9)	11,217,149	12,518,167

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

1 CORPORATE INFORMATION

Oracle Financial Services Software Pte. Ltd. (the “Company”) is a private company limited by shares incorporated in Singapore with its registered office and its principal place of business at 1 Fusionopolis Place #12-10 Galaxis, Singapore 138522.

The financial statements of the Company for the year ended 31 March 2019 relate to the Company and its subsidiary (collectively referred to as the “Group”).

The principal activities of the Company in the course of the financial year are those relating to providing information technology solutions, consulting services and development of software to the financial service industry. The principal activities of its subsidiary company are set out in Note 4 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company has 3 branches operating outside of Singapore as follows:

Branch	**Location**	**Registered Address**
Japan	Tokyo	Akasaka Center Building 13F, 1-3-13 Moto Akasaka, Minato-ku, Tokyo 107-0051, Japan.
Australia	Sydney	Level 8, 4 Julius Avenue, North Ryde, Sydney, NSW 2113, Australia
Korea	Seoul	Rm#1410, 14F, Soonhwa Building, 89 Seosomun-ro, Jung-gu, Seoul, South Korea

The principal activities of these branches are the same as the Company.

The Company is a wholly-owned subsidiary of Oracle Financial Services Software Limited, a company incorporated in India. The Company’s ultimate holding company is Oracle Corporation, a company incorporated in the United States of America. Related corporations (companies) in these financial statements refer to members of ultimate holding company’s group of companies.

The financial statements of the Company for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on 20 September 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (“FRS”) and is prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Group and the Company are measured and presented in the currency of the primary economic environment in which they operate (its functional currency). The financial statements of the Group and the Company are presented in United States Dollar (USD or US$).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.1 Basis of Preparation - cont'd

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group and the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 25.

In the current financial year, the Group and the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or before 1 April 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2018, and have not been applied in preparing these financial statements. The Group and the Company does not plan to early adopt these standards.

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 April 2019
Amendments to FRS 109: Prepayment features with negative compensation	1 April 2019
Amendments to FRS 28: Long-term interests in Associates and Joint Ventures	1 April 2019
INT FRS 123: Uncertainty over Income Tax treatments	1 April 2019
Improvements to FRS (March 2018)	1 April 2019
FRS 117 Insurance Contracts	1 April 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.1 Basis of Preparation - cont'd

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below:

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 April 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-to-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-to-use asset.

2.2 Going Concern

The subsidiary incurred a net loss during the year and current liabilities exceeded the current assets, and the accumulated losses exceeded the paid-up capital as at 31 March 2019. These factors indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.

The financial statements have been prepared on the basis that the subsidiary company is a going concern as the penultimate holding company has given written confirmation of its continuing financial support for the subsidiary company. The ability of the subsidiary company to continue as a going concern depends on the penultimate holding company's undertaking to provide continued financial support.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

(i) the continuing financial support from the related party to procure the necessary finance and support for a period of not less than twelve months from the end of the reporting period;

(ii) the subsidiary company is able to generate sufficient cash flows from its operations to meet its current and future obligations.

If the financial support is not forthcoming and as a result, the subsidiary is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of the business and at amounts which could differ significantly from the amounts stated in statement of financial position. In addition, the subsidiary may have to provide further liabilities which may arise, and to reclassify long term assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3 Group Accounting

2.3.1 Subsidiary

(i) Consolidation

Subsidiary is entity (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3 Group Accounting - cont'd

2.3.1 Subsidiary - cont'd

(ii) Acquisitions - cont'd

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.6.1 for the accounting policy on goodwill.

(iii) Disposals

When a change in the Group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.5 for the accounting policy on investment in subsidiary.

2.3.2 Transactions with Non-Controlling Interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4 Plant and Equipment

2.4.1 Measurement

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

2.4.2 Components of Costs

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

2.4.3 Depreciation

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

	Years
Furniture and fittings	2 - 7
Computers	2 - 3
Office equipment	5 - 7
Lease hold improvement	5

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.4.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4 Plant and Equipment - cont'd

2.4.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

2.5 Investment in Subsidiary

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

2.6 Intangible Assets

2.6.1 Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2012 represents the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2012 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.6.2 Customer Contracts

Customer contracts acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses. These costs are amortised to the profit or loss using the straight-line method over 12 months, which is the shorter of their estimated useful lives and periods of contractual rights.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6 Intangible Assets - cont'd

2.6.3 Customer Relationship

Customer relationship acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision of the amortisation period or amortisation method are included in profit or loss for the financial year in which the changes arise.

2.7 Impairment of Non-Financial Assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group and the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial Instrument

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

2.8.1 Financial Assets

Initial Recognition and Measurement

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Financial Instrument - cont'd

2.8.1 Financial Assets - cont'd

Initial Recognition and Measurement - cont'd

At initial recognition, the Group and the Company measures a financial asset at its fair value plus, in the case of 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.

Trade receivable are measured at the amount of consideration to which the Group and 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.

Subsequent Measurement

Investment in Debt Instruments

Subsequent measurement of debt instruments depends on the Group and 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 Group and 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.

Investments in Equity Instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in the other comprehensive income which will not be reclassified subsequently to profit or loss. Dividend from such investments are to be recognised in profit or loss when the Group and the Company's right to receive payments is established. For investments in equity instruments which the Group and the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Financial Instrument - cont'd

2.8.1 Financial Assets - cont'd

Derecognition

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 entirely, 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.

2.8.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are reccognised when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. The Group and 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.

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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged and cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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

2.8.3 Financial Assets

Initial Recognition and Measurement

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Financial Instrument - cont'd

2.8.3 Financial Assets - cont'd

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 comprised cash and cash equivalents, trade and other receivables and contract assets.

Cash and cash equivalents comprise cash at banks and on hand.

Available-for-sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets which are not classified as held-to-maturity investments, loans and receivables or financial assets at FVPL.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Financial Instruments - cont'd

2.8.4 Financial Liabilities

Initial Recognition and Measurement

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

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.

Such financial liabilities comprise trade and other payables and contract liabilities.

Derecognition

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 liabilities 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.

2.9 Impairment of Financial Assets

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

The Group and 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 Group and 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.9 Impairment of Financial Assets - cont'd

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 Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and 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 Group and the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

The Group and 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 Group and 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 Group and 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.9 Impairment of Financial Assets - cont'd

Financial Assets Carried at Amortised Cost - cont'd

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 Group and 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.

2.10 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets held by the Group and the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group and the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group and the Company for similar financial instruments.

2.11 Cash and Cash Equivalents

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

2.12 Share Capital

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.13 Revenue Recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 April 2018:

Revenue is measured based on the consideration to which the Group and 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 Group and 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.

2.13.1 Product Licenses and Related Revenue

The Group and the Company's primary performance obligations with respect to license support contracts is to provide customers with technical support as needed and unspecified software product upgrades, maintenance releases and patches during the term of the support period, if and when they are available. The Group and the Company are obligated to make the license support services available continuously throughout the contract period. Therefore, revenues for license support contracts is generally recognised ratably over the contractual periods that the support services are provided.

2.13.2 IT Solutions and Consulting Services

Many of the Group and the Company's customer contracts include multiple performance obligations. Judgment is required in determining whether each performance obligation within a customer contract is distinct. Oracle products and services generally do not require a significant amount of integration or interdependency. Therefore, multiple products and services contained within a customer contract are generally considered to be distinct and are not combined for revenue recognition purposes. The transaction price for product licenses and related revenue are allocated for each customer contract to each performance obligation based on the relative standalone selling price for each performance obligation within each contract. The amount of transaction price allocated are recognised to each performance obligation within a customer contract as revenue as each performance obligation is delivered.

2.13.3 Interest Income

Interest income is measured using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.13 Revenue Recognition - cont'd

These accounting policies are applied before the initial application date of FRS 115, 1 April 2018:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

2.13.4 Product Licenses and Related Revenue

License fees are recognised, on delivery and subsequent milestone schedule as per the terms of the contract with the end user.

Implementation services are recognised as services are provided, when arrangements are on a time and material basis. Revenue for fixed price contracts is recognised using the proportionate completion method. Balance revenue is recognised at the time of receipt of customer acceptance. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Group and the Company monitors estimates of total contract revenue and cost on a routine basis throughout the delivery period.

The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

Customisation services are recognised based on the acceptance received from the customer for the milestone achieved.

Product maintenance revenue is recognised, over the period of the maintenance contract.

2.13.5 IT Solutions and Consulting Services

Revenue from IT solutions and consulting services are recognised as services are provided, when arrangements are on a time and material basis.

Revenue from fixed price contracts is recognised using the proportionate completion method. Balance revenue is recognised at the time of receipt of customer acceptance. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Group and the Company monitors estimates of total contract revenue and cost on a routine basis throughout the delivery period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.13 Revenue Recognition - cont'd

2.13.5 IT Solutions and Consulting Services - cont'd

Cost and revenue in excess of billing is classified as unbilled revenue while billing in excess of revenue is classified as deferred revenue.

Reimbursable expenses for projects are invoiced separately to customers and although reflected as sundry debtors to the extent outstanding as at year end, are not included as revenue or expense.

2.13.6 Interest Income

Interest income is measured using the effective interest method.

2.14 Currency Translation

2.14.1 Functional and Presentation Currency

Items included in the financial statements of the Company and the branches are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in United State Dollar ("US$"), which is the Company's functional and presentation currency except for Australia and Japan branch which is in Australian Dollar ("AU$") and Japanese Yen ("JPY") respectively.

2.14.2 Translation of 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 are 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 end of the reporting period are recognised in profit or loss.

2.14.3 Translation of Group Entities' Financial Statements

The results and financial position of group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the reporting date;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.14 Currency Translation - cont'd

2.14.3 Translation of Group Entities' Financial Statements - cont'd

(ii) Income and expenses for each profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the translation dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2.15 Leases

2.15.1 As Lessee

Finance leases which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased term, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.16 Related Parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.16 Related Parties - cont'd

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.17 Provisions

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

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

2.18 Taxes

2.18.1 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.18 Taxes - cont'd

2.18.1 Current Income Tax - cont'd

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.

2.18.2 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.

2.18.3 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

(a) where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(b) receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 Employee Benefits

2.19.1 Defined Contribution Plans

The Group and the Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.19 Employee Benefits - cont'd

2.19.2 Short Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.19.3 Employee Share Options Plan

Employees of the Group and the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share options reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share options reserve is transferred to retained earnings upon expiry of the share options.

2.20 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3 PLANT AND EQUIPMENT

The Group and The Company

2019 **Cost**	**Furniture and fittings US$**	**Computers US$**	**Office equipment US$**	**Leasehold improvement US$**	**Total US$**
At beginning of year	264,094	111,110	13,397	-	388,601
Written off	(239)	-	(1,498)	-	(1,737)
Translation difference	(14)	(5,645)	(210)	-	(5,869)
At end of year	263,841	105,465	11,689	-	380,995
Accumulated Depreciation					
At beginning of year	263,538	105,984	11,489	-	381,011
Depreciation	-	-	287	-	287
Written off	(239)	-	(1,498)	-	(1,737)
Translation difference	(14)	(5,634)	(210)	-	(5,858)
At end of year	263,285	100,350	10,068	-	373,703
Carrying Amount					
At end of year	556	5,115	1,621	-	7,292
2018					
Cost					
At beginning of year	264,092	150,310	129,351	32,204	575,957
Written-off	-	(40,395)	(112,517)	(33,232)	(186,144)
Translation difference	2	1,195	(3,437)	1,028	(1,212)
At end of year	264,094	111,110	13,397	-	388,601
Accumulated Depreciation					
At beginning of year	263,216	129,718	118,423	22,543	533,900
Depreciation	320	6,261	2,760	6,865	16,206
Written off	-	(36,293)	(106,544)	(29,909)	(172,746)
Translation difference	2	6,298	(3,150)	501	3,651
At end of year	263,538	105,984	11,489	-	381,011
Carrying Amount					
At end of year	556	5,126	1,908	-	7,590

4 INVESTMENT IN SUBSIDIARY

	The Company 2019 US$	2018 US$
Unquoted investment, at cost	1,150,184	1,150,184
Impairment loss	(1,150,184)	(1,150,184)
	-	-

In financial year 2013, the Management recognised an impairment loss of US$1,150,184 as the subsidiary has been operating at a loss and was in a negative equity position as at reporting date.

Details of the subsidiary is as follows:

Name of company	Principal activities	Country of incorporation and business	Effective equity held by the Company 2019 %	2018 %	Cost of investment 31.03.19 US$	31.03.18 US$
Oracle Financial Services Consulting Pte. Ltd.*	Provision of computer software and technology services	Republic of Singapore	100	100	1,150,184	1,150,184

* Audited by Rohan • Mah & Partners LLP, Singapore.

5 INTANGIBLE ASSETS

	The Group and The Company 2019 US$	2018 US$
Customer contracts	556,364	556,364
Customer relationships	416,851	416,851
	973,215	973,215
Less: Accumulated amortisation	(973,215)	(973,215)
	-	-

6 OTHER RECEIVABLES

	The Group and The Company	
	2019	**2018**
	US$	**US$**
		Restated
Non-Current		
Deferred contract cost	319,660	284,146
Current		
Amount due from immediate holding company - non-trade	443,732	9,076,372
Amount due from related companies - non-trade	15,028	204,973
Deposit	-	72,328
Deferred contract cost	298,328	353,196
Prepayments	975,313	991,883
	1,732,401	10,698,752
	2,052,061	10,982,898

Deferred contract cost are incremental costs of obtaining a contract which are recognised as assets and amortised over the benefit period.

The amount due from subsidiary - non-trade is as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	US$	**US$**	**US$**	**US$**
Amount due from subsidiary - non-trade	-	-	3,698,052	3,805,464
Less: Impairment				
Balance at beginning of year	-	-	3,805,464	3,782,242
Exchange difference	-	-	(135,927)	250,805
Allowance made during the year	-	-	28,515	-
Written back during the year	-	-	-	(227,583)
Balance at end of year	-	-	3,698,052	3,805,464
Total	-	-	-	-

The amounts due from immediate holding, related companies and subsidiary company are unsecured, interest free and repayable on demand.

7 TRADE RECEIVABLES

	The Group and The Company	
	2019	2018
	US$	US$
Outside companies	7,377,443	4,654,275
Related companies	30,970,120	29,897,448
	38,347,563	34,551,723
Less: Provision for impairment		
Balance at beginning of year	500,415	532,445
Allowance made during the year	241,860	440,391
Written off during the year	(3,392)	(343,515)
Written back during the year	(132,978)	(128,906)
Translation difference	13,110	-
Balance at end of year	619,015	500,415
	37,728,548	34,051,308

The Group and the Company do not have concentration of credit risk in respect of a customer or a group of customers.

The aging of trade receivables at the reporting date is:

The Group and the Company

The maximum exposure of credit risk for trade receivables at the reporting date is US$37,728,548 (2018: US$34,051,308).

	Gross 2019 US$	Impairment losses 2019 US$	Gross 2018 US$	Impairment losses 2018 US$
Not past due	7,229,330	64,379	15,602,063	753
Past due 1 - 30 days	12,752,605	13,269	12,268,701	1,735
Past due 31 - 120 days	13,260,079	95,317	4,646,563	89,613
Past due 121 - 365 days	3,907,859	229,019	1,726,825	247,242
More than one year	1,197,690	217,031	307,571	161,072
	38,347,563	619,015	34,551,723	500,415

Based on historical default rates, the Group and the Company believe that no impairment allowance is necessary in respect of trade receivables past due up to 365 days. These receivables are mainly arising by customers that have good record with the Company.

8 CONTRACT ASSETS

	The Group and The Company	
	2019	2018
	US$	US$
Contract assets	17,519,229	16,814,694

Contract assets comprise unbilled revenue out of license and services and other recoverable from customers for which the Company has performed work at reporting date, but the agreed billing milestones have not been reached. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

9 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Cash and bank balances	11,217,149	12,518,167	11,116,648	12,389,962

During the year, a guarantee was issued as security by the bank for the Company to participate in a bid package with the amount of US$816,719 (2018: US$600,000).

10 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2019	2018	2019	2018
	US$	US$	US$	US$
Amount due to immediate holding company - trade	19,996,582	25,330,064	19,996,582	25,330,064
Amount due to related company - trade	644,616	822,908	644,616	822,908
Accrued operating expenses	5,563,514	1,444,966	5,560,564	1,441,907
GST payable	1,390,646	31,696	1,390,646	31,696
Leave encashment	2,319,203	900,195	2,319,203	900,195
Other creditors	148,187	390,833	148,187	390,833
Withholding tax payable	225,405	292,805	225,405	292,805
	30,288,153	29,213,467	30,285,203	29,210,408

The provision for leave encashment recognised as expenses amounts to US$1,419,008 (2018: US$371,531). Employees are entitled to leave encashment an amount equivalent to a day's wages multiplied by the unused leaves. No other post-retirement benefits are provided to these employees (Note 30).

11 CONTRACT LIABILITIES

	The Group and The Company	
	2019	**2018**
	US$	**US$**
Contract liabilities	21,494,401	22,013,426

Contract liabilities arise from advance payments from customers. In the case of services, such advances arise when a particular milestone payment exceeds the work done to date. Revenue recognised in 2019 which was included in the contract liabilities balance at the beginning of the year was US$15,825,219.

Revenue recognised in 2019 from performance obligation satisfied in previous years was US$147,037.

12 DEFERRED TAXATION

	The Group and The Company	
	2019	**2018**
	US$	**US$**
At beginning of year	66,703	62,396
Translation difference	(2,691)	4,307
Balance at end of year	64,012	66,703
Excess of net book value over tax written down value of plant and equipment	376,541	392,371

The deferred tax liability arose wholly from the temporary differences between the carrying amount and the tax base values of plant and equipment.

13 SHARE CAPITAL

	The Company			
	2019		**2018**	
	No. of shares	**US$**	**No. of shares**	**US$**
Ordinary shares issued and fully paid:				
At beginning and end of year	250,000	136,525	250,000	136,525

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

14 CAPITAL CONTRIBUTION

	The Group and The Company	
	2019	2018
	US$	US$
		Restated
At beginning of year	2,058,975	1,573,591
Addition during the year	817,115	485,384
Balance at end of year	2,876,090	2,058,975

Oracle Corporation, the Ultimate Holding Company and Oracle Financial Services Software Limited, the Immediate Holding Company of the Group and the Company has extended its stock option program to selected employees of the Company's overseas subsidiaries and branches. Contribution from the Ultimate and Immediate Holding Company represents the fair value of equity-settled transactions; calculated at the date when the grant is made using an appropriate valuation model and recognised over the period in which the performance and/or service conditions are fulfilled.

15 RETAINED PROFITS

The movements in retained profits for the Company are as follows:

	2019	2018
	US$	US$
		Restated
At beginning of the year	21,960,821	9,846,687
Total of comprehensive (loss)/income for the year	(5,606,352)	11,962,176
Prior year adjustments (Note 29)	-	151,958
At end of the year	16,354,469	21,960,821

The movements in retained profits for the Group are shown in the Consolidated Statement of Changes in Equity.

16 REVENUE

Revenue represents the license fees, product maintenance and consultancy services rendered. Significant category of revenue during the year is as follow:

	The Group	
	2019	2018
	US$	US$
Consulting	104,929,362	117,368,739
Licenses	26,893,216	32,370,283
Support	42,351,256	40,142,798
	174,173,834	189,881,820

16 REVENUE - cont'd

Majority of the revenue are recognised over time, with revenue recognised point in time contributing 15% of total revenue.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Where the license is required to be substantially customised as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognised using the percentage of completion method as the implementation is performed.

Product maintenance revenue is recognised rateably over the period of contract.

Revenue from fixed price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measure or collectability of consideration is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hour incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Revenue from contracts on time and material basis is recognised as services are performed.

17 OTHER INCOME

	The Group	
	2019	**2018**
	US$	**US$**
Interest income	44,468	68,115
Other income	59,256	262,906
Provision for doubtful debts – written back	-	57,285
	103,724	388,306

18 ADMINISTRATIVE EXPENSES

	The Group	
	2019	**2018**
	US$	**US$**
		Restated
Administrative expenses include the following:		
Office rental	568,416	480,127
Professional fees	2,136,326	549,363
Staff costs (Note 19)	40,121,052	9,735,501
Travelling expenses	3,009,922	1,536,762

19 STAFF COSTS

	The Group 2019 US$	2018 US$ Restated
Wages, salaries and related costs	37,641,440	7,481,376
Defined contribution pension costs	1,662,497	1,768,741
Employees stock compensation charge	817,115	485,384
	40,121,052	9,735,501

Included above are key management personnel compensation (Note 22).

20 OTHER OPERATING EXPENSES

	The Group 2019 US$	2018 US$
Allowance for estimated credit loss	60,353	-
Depreciation	287	16,206
Exchange loss	407,872	191,456
	468,512	207,662

21 TAXATION

Major components of income tax expense are as follows:

	The Group 2019 US$	2018 US$
Current income tax:		
- Singapore	1,292,235	211,013
- Foreign	(250,237)	1,876,444
Over provision of prior year foreign tax	-	(5,549)
Foreign withholding tax	5,168,527	3,705,530
	6,210,525	5,787,438

21 TAXATION - cont'd

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	The Group 2019 US$	2018 US$ Restated
Profit before taxation	445,330	17,933,673
Tax expense on profit before tax at 17%	75,706	3,048,724
Adjustments:		
Different tax rates of other countries	(719,990)	432,263
Foreign withholding tax	5,168,527	3,705,530
Tax exemption and relief	(418,984)	(2,071,781)
Non-deductible expenses	2,240,075	1,337,677
Non-taxable income	(139,629)	(579,706)
Over provision of prior year taxation	-	(5,549)
Utilisation of capital allowance	-	(28)
Unutilised tax losses	-	391
Utilisation of tax losses	-	(43,550)
Others	4,820	15,133
Tax expense	6,210,525	5,787,438

22 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related party transactions on terms agreed between the Group, the Company and its related parties are as follows:

	The Group and The Company 2019 US$	2018 US$
Immediate Holding Company		
Purchases (Cost of services rendered)	122,832,029	147,550,736
Sales	(737,121)	-
Staff cost to	(3,650,951)	(30,025,139)
Other operating expenses to	(5,490,137)	(8,127,534)
Subsidiary Company		
Fund transfer	23,794	229,410
Related Companies		
Purchases (Cost of services rendered)	4,683,815	4,296,362
Sales	(135,758,681)	(159,779,725)
Management fees from	906,696	120,095
Office rental (Facilities service agreement) from	544,526	216,504

Balances with related parties at the reporting date are set out in Note 6, 7 and 10.

22 SIGNIFICANT RELATED PARTIES TRANSACTION - cont'd

Key management personnel compensation

Director's compensation and benefits is as follows:

	The Group and the Company	
	2019	2018
	US$	US$
Defined contribution pension costs	9,401	9,619
Director fees	132,499	133,077
Employee stock options	776	-
Others	2,894	-
Salaries and bonuses	92,255	95,291
	237,825	237,987

Facilities Service Agreement

During the year, the Group and the Company rented facilities managed by companies within the Oracle Corporation group. Rental during the year is US$544,526 (2018: US$216,504).

23 OPERATING LEASE COMMITMENT

Rental expenses (principally for office and staff accommodation) for the Group and Company were US$568,416 (2018: US$480,127). The leases have varying terms, escalation clauses and renewal rights. Future minimum rental under non-cancelable leases contracted for at reporting date but not recognised as liabilities are as follow as at 31 March 2019:

	The Group and The Company	
	2019	2018
	US$	US$
Payable within 1 year	442,849	489,436
Payable within 2 – 5 years	605,780	1,078,177
	1,048,629	1,567,613

24 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

The Group

	2019 US$	2018 US$
Financial Assets		
Loans and receivables:		
Trade receivables	37,728,548	34,051,308
Other receivables	458,760	9,353,673
Contract assets	17,519,229	16,814,694
Cash and cash equivalents	11,217,149	12,518,167
	66,923,686	72,737,842
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	26,352,899	27,988,771

The Company

	2019 US$	2018 US$
Financial Assets		
Loans and receivables:		
Trade receivables	37,728,548	34,051,308
Other receivables	458,760	9,353,673
Contract assets	17,519,229	16,814,694
Cash and cash equivalents	11,116,648	12,389,962
	66,823,185	72,609,637
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	26,349,949	27,985,712

Financial Risk Management Objectives and Policies

The main risks arising from the Group and the Company's financial instruments are credit, foreign exchange, interest rate and liquidity risks. The policies of managing each of these risks are summarised below:

24 FINANCIAL INSTRUMENTS - cont'd

Credit Risk

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

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

The Group and 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 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Group and the Company has developed and maintained the Group and 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. 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 30 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

24 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Credit Risk - cont'd

The Group and the Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 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 Group and 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 >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – not 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

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

	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
31 March 2019				
Trade receivables*	Lifetime ECL (simplified)	38,347,563	(619,015)	37,728,548
Other receivables	12-month ECL	458,760	-	458,760
Contract assets	12-month ECL	17,519,229	-	17,519,229
			(619,015)	
1 April 2018				
Trade receivables*	Lifetime ECL (simplified)	34,551,723	(500,415)	34,051,308
Other receivables	12-month ECL	9,353,673	-	9,353,673
Contract assets	12-month ECL	16,814,694	-	16,814,694
			(500,415)	

* For trade receivables, the Group and the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the 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.

24 **FINANCIAL INSTRUMENTS** - cont'd

Financial Risk Management Objectives and Policies - cont'd

Credit Risk - cont'd

The Group and the Company

	Trade Receivables					
		Days past due				
	Not past due US$	1-30 days US$	31-120 days US$	121-365 days US$	More than 365 days US$	Total US$
31 March 2019						
ECL rate	0.00%	0.01%	0.27% - 3.64%	3.64% - 3.49%	3.49% - 22.66%	
Estimated total gross carrying amount at default	7,229,330	12,752,605	13,260,079	3,907,859	1,197,690	38,347,563
ECL	(64,379)	(13,269)	(95,317)	(229,019)	(217,031)	(619,015)
						37,728,548
31 March 2018						
Total gross carrying amount	15,602,063	12,268,701	4,646,563	1,726,825	307,571	34,551,723
Allowance for impairment	(753)	(1,735)	(89,613)	(247,242)	(161,072)	(500,415)
						34,051,308

Information regarding loss allowance movement of trade receivables is disclosed in Note 7 (Trade Receivables).

24 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Credit Risk - cont'd

Other receivables and contract assets

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counter parties 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.

Foreign Currency Risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Group and the Company in the current reporting period and in the future years. The Group and the Company rely on natural hedges of matching foreign currency denominated assets and liabilities. Consistent effort has also been employed by the Group and the Company to keep track of the exchange rate fluctuations such that the funds are converted at favourable exchange rates.

The Group's exposure to major foreign currencies are as follows:

	AUD US$	SGD US$	Others US$
2019			
Trade receivables	7,472,934	736,386	11,293,696
Other receivables	1,017,985	758,463	263,326
Contract assets	3,596,487	397,484	6,922,328
Cash and cash equivalents	5,117,762	1,638,662	3,172,723
Trade and other payables	(7,784,187)	(2,360,681)	(6,050,263)
	9,420,981	1,170,314	15,601,810

	AUD US$	SGD US$	Others US$
2018			
Trade receivables	11,850,944	610,100	8,069,264
Other receivables	5,547,633	2,196,365	2,776,862
Contract assets	5,872,349	578,127	5,310,153
Cash and cash equivalents	5,156,947	1,302,484	4,649,924
Trade and other payables	(9,966,759)	(985,750)	(6,900,473)
	18,461,114	3,701,326	13,905,730

24 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Foreign Currency Risk - cont'd

The Company's exposure to major foreign currencies are as follows:

	AUD US$	SGD US$	Others US$
2019			
Trade receivables	7,472,934	736,386	11,293,696
Other receivables	1,017,985	758,463	263,326
Contract assets	3,596,487	397,484	6,922,328
Cash and cash equivalents	5,117,762	1,538,164	3,172,723
Trade and other payables	(7,784,187)	(2,357,731)	(6,050,263)
	9,420,981	1,072,766	15,601,810
2018			
Trade receivables	11,850,944	610,100	8,069,264
Other receivables	5,547,633	2,196,365	2,776,862
Contract assets	5,872,349	578,127	5,310,153
Cash and cash equivalents	5,156,947	1,205,353	4,649,924
Trade and other payables	(9,966,759)	(982,691)	(6,900,473)
	18,461,114	3,607,254	13,905,730

Sensitivity analysis

A 5% strengthening of United States Dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The Group

	Profit or loss (before tax) US$
2019	
Australian Dollar	(471,049)
Singapore Dollar	(58,516)
Others	(780,091)
	(1,309,656)
2018	
Australian Dollar	(923,056)
Singapore Dollar	(185,066)
Others	(695,287)
	(1,803,409)

24 **FINANCIAL INSTRUMENTS** - cont'd

Financial Risk Management Objectives and Policies - cont'd

Foreign Currency Risk - cont'd

Sensitivity analysis - cont'd

The Company

	Profit or loss (before tax) US$
2019	
Australian Dollar	(471,049)
Singapore Dollar	(53,638)
Others	(780,091)
	(1,304,778)
2018	
Australian Dollar	(923,056)
Singapore Dollar	(180,363)
Others	(695,287)
	(1,798,706)

A 5% weakening of United States Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company are not exposed to interest rate risk. As a result, the Group and the Company's income and operating cash flows are substantially independent of changes in market rates.

Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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24 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Liquidity Risk - cont'd

To manage liquidity risk, the Group and the Company monitor its net operating cash flow and maintains an adequate level of cash and cash equivalent.

No maturity analysis is presented as all financial assets and liabilities are due within 12 months.

25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

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

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Depreciation of Plant and Equipment

The Group and the Company's management determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

Income Tax Liabilities

The Group and the Company have exposure to income taxes in various countries. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group and the Company's tax payable and deferred tax as at 31 March 2019 were US$713,814 (2018: US$1,091,565) and US$64,012 (2018: US$66,703) respectively.

25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT - cont'd

Provision for Expected Credit Losses of Trade Receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 7.

The carrying amount of the Group's and the Company's trade receivables as at 31 March 2019 were US$37,728,548 (2018: S$34,051,308).

Warranty

The provision for warranty claims represents the value of the management's best estimate of the future outflow of economic benefits that will be required. In the opinion of the management, no provision for warranty shall be provided as there is no probable outflow of economic benefits required to settle the obligation based on the Group and the Company's experience.

Revenue Recognition

The Group and the Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables. The Group and the Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

In determining the transaction price for the contract, judgement is required to assess if the consideration is fixed or is considered variable and whether there is any constraint on such variable consideration such as volume discounts, service level credits and price concessions. The Group and the Company uses judgement to determine an appropriate standalone selling price for each performance obligation and allocates the transaction price to each performance obligation on the basis of the relative stand- alone selling price of each distinct product or service promised in the contract except for sale of software licenses, where the Group and the Company uses a residual approach for estimating the standalone selling price of software license as the pricing is highly variable.

Contract fulfilment costs are generally expensed as incurred except for certain contract costs which meet the criteria for capitalisation. Such costs are amortised over the benefit period. The assessment of this criteria requires the application of judgement.

26 FAIR 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.

Trade Receivables and Trade Payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Amount Due from Immediate Holding and Related Companies

The carrying amounts due from immediate holding and related companies approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

27 CAPITAL MANAGEMENT

The primary objective of the Group and the Company's capital management is to maximise shareholder's value.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 31 March 2018.

The Group and the Company will continue to be guided by prudent financial policies of which gearing is an important aspect. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	The Group		The Company	
	2019 US$	2018 US$ Restated	2019 US$	2018 US$ Restated
Net debts	40,565,405	38,708,726	40,662,956	38,833,872
Total equity	15,963,899	21,989,496	15,866,348	21,864,350
Total capital	56,529,304	60,698,222	56,529,304	60,698,222
Gearing ratio	0.72	0.64	0.72	0.64

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 March 2019 and 31 March 2018.

28 EXPLANATION OF ADOPTION OF NEW STANDARD

The Group and the Company applied the following standards that are mandatorily effective for annual periods beginning on or after 1 April 2018:

(a) FRS 109: Financial Instruments

(b) FRS 115 Revenue from Contracts with Customers

(c) Amendment to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers

(d) INT FRS 122: Foreign currency transactions and advance considerations

The application of the above standards and interpretations do not have a material effect on the financial statements.

29 PRIOR YEAR ADJUSTMENTS

In prior years, the employee stock compensation expense charged by immediate and ultimate holding was not recognised by the Group and the Company.

In addition, there was over recognition of commission cost in financial year ended 2018 charged by immediate holding company.

The Group and Company has recognised the change and the effects of these adjustments are as follows:

The Group

	Balance as previously stated US$	Prior year adjustment US$	Balance restated US$
Statement of Financial Position as at 31 March 2017			
Capital and reserves attributable to equity holders of the Company			
Capital contribution	-	(1,573,591)	(1,573,591)
Reserves			
Retained profits	(10,154,029)	1,573,591	(8,580,438)
Statement of Profit or Loss and Other Comprehensive Income as at 31 March 2017			
Employee stock compensation charge	-	1,573,591	1,573,591

29 PRIOR YEAR ADJUSTMENTS - cont'd

The Group - cont'd

	Balance as previously stated US$	Prior year adjustment US$	Balance restated US$
Statement of Financial Position as at 31 March 2018			
Non-Current Assets			
Deferred contract cost	-	284,146	284,146
Current Assets			
Deferred contract cost	-	353,196	353,196
Capital and reserves attributable to equity holders of the Company			
Capital contribution	-	(2,058,975)	(2,058,975)
Reserves			
Retained profits	(22,148,306)	1,421,633	(20,726,673)
Statement of Profit or Loss and Other Comprehensive Income as at 31 March 2018			
Commission payment	-	(637,342)	(637,342)
Employee stock compensation charge	-	485,384	485,384

The Company

	Balance as previously stated US$	Prior year adjustment US$	Balance restated US$
Statement of Financial Position as at 31 March 2017			
Capital and reserves attributable to equity holders of the Company			
Capital contribution	-	(1,573,591)	(1,573,591)
Reserves			
Retained profits	(11,420,278)	1,573,591	(9,846,687)
Statement of Profit or Loss and Other Comprehensive Income as at 31 March 2017			
Employee stock compensation charge	-	1,573,591	1,573,591

29 PRIOR YEAR ADJUSTMENTS - cont'd

The Company - cont'd

Statement of Financial Position as at 31 March 2018			
Non-Current Assets			
Deferred contract cost	-	284,146	284,146
Current Assets			
Deferred contract cost	-	353,196	353,196
Capital and reserves attributable to equity holders of the Company			
Capital contribution	-	(2,058,975)	(2,058,975)
Reserves			
Retained profits	(23,382,454)	1,421,633	(21,960,821)
Statement of Profit or Loss and Other Comprehensive Income as at 31 March 2018			
Commission payment	-	(637,342)	(637,342)
Employee stock compensation charge	-	485,384	485,384

30 PROVISION FOR LEAVE

	The Group	
	2019	2018
	US$	US$
Leave encashment	2,319,203	900,195

* The Group and the Company operate compensated absences: defined benefit plan for qualifying employees. Under the plans, the employees are entitled to leave encashment an amount equivalent to a day's wages multiplied by the unused leaves. No other post-retirement benefits are provided to these employees.

Prior year actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by Independent Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Actuarial Cost Method.

Current financial year valuation for leave encashment was based on management assessment with the guidance of *"Accounting Standard (AS) 15 Employee Benefits"* issued in India.

30 PROVISION FOR LEAVE - cont'd

Add plan information

The principal actuarial assumptions used were as follows:

	As per IALM (2006-08) (modified) ult table	
Mortality rate	**2019**	**2018**
Salary escalation rate	2.00%	2.00%
Discounting rate	1.94%	2.05%

Amounts recognised in statement of profit or loss and other comprehensive income in respect of these defined benefit plans are as follows:

	2019 US$	2018 US$
Amount charged to profit or loss	1,419,008	371,531

The amount recognised in the statement of financial position in respect of these defined benefit plans are as follows:

	2019 US$	2018 US$
Defined benefits obligation		
Leave encashment provision	2,319,203	900,195
Liability recognised in the statement of financial position	2,319,203	900,195

Movements in the present value of the defined benefit obligation in the current year were as follows:

	2019 US$	2018 US$
Opening defined benefit obligation	900,195	528,664
Benefits paid	(793,580)	(829,632)
Obligation made during the year	2,212,588	1,201,163
Closing defined benefit obligation	2,319,203	900,195