
S GLOBAL SERVICES PTE. LTD.
(Company Registration No. 200803978D)

(Formerly Known As S GIC Pte. Ltd.)

Financial Statements For The Year Ended March 31, 2017

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

(Incorporated in the Republic of Singapore)

Director

Chada Anitha Reddy

Secretaries

Raja Muhammad Shah Bin Abdullah

Registered Office

152 Ubi Avenue 4

Singapore 408826

Auditors

Natarajan & Swaminathan

Chartered Accountants of Singapore

1 North Bridge Road

#19-04/05 High Street Centre

Singapore 179094

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S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Director's Statement

For the financial year ended March 31, 2017

The director present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2017.

Subsequent to the financial year, on April 3, 2017, the Company changed its name from "S GIC Pte. Ltd." to "S Global Services Pte. Ltd."

1 Director

The director in office at the date of this statement is: -

Chada Anitha Reddy

2 Arrangements to enable director to acquire shares and debentures

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

3 Director's interest in shares and debentures

The director holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act.

4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Director's Statement

For the financial year ended March 31, 2017

5 Auditors

The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

6 Director's opinion

In my opinion,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



Chada Anitha Reddy

Date: May 19, 2017

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF S GLOBAL SERVICES PTE. LTD.
(Formerly Known As S GIC Pte. Ltd.)
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of S GLOBAL SERVICES PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF S GLOBAL SERVICES PTE. LTD.
(Formerly Known As S GIC Pte. Ltd.)
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
(Incorporated in the Republic of Singapore)

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 FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' 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 SSA 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 SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF S GLOBAL SERVICES PTE. LTD.
(Formerly Known As S GIC Pte. Ltd.)
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
(Incorporated in the Republic of Singapore)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Natarajan & Swaminathan

Natarajan & Swaminathan
Public Accountants and Chartered Accountants Singapore

Date: May 19, 2017

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Statement of Financial Position

As at March 31, 2017

	Note	2017	2016
		S\$	S\$
Assets			
Non-current assets			
Plant and equipment	3	1,310,837	1,036,025
Investment property	4	1,080,000	1,190,000
Investment in subsidiaries	5	3,352,425	3,056,942
Total non-current assets		5,743,262	5,282,967
Current assets			
Trade receivables	6	153,171	307,654
Other receivables	7	1,180,637	2,852,550
Cash at banks		423,837	549,203
Total current assets		1,757,645	3,709,407
Total assets		7,500,907	8,992,374
Equity and liabilities			
Equity			
Share capital	8	15,735,600	15,735,600
Accumulated losses		(8,331,384)	(6,857,943)
Total equity		7,404,216	8,877,657
Current liabilities			
Trade payables and accruals	9	78,863	96,051
Other payables	10	17,828	18,666
Total current liabilities		96,691	114,717
Total liabilities		96,691	114,717
Total equity and liabilities		7,500,907	8,992,374

The annexed accounting policies and explanatory notes form an integral part of the financial statements

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Statement of Comprehensive Income

For the financial year ended March 31, 2017

	Note	<u>2017</u>	<u>2016</u>
		S\$	S\$
Revenue	11	341,170	399,671
Other income	12	54,257	97,144
Fair value decrease on investment property	4	(110,000)	(85,000)
Cost of services		(7,423)	(30,785)
Salaries and employee benefits	13	(605,511)	(233,227)
Depreciation of plant and equipment	3	(381,476)	(408,947)
Impairment loss on investment in subsidiary	5	-	(87,557)
Other operating expenses		(764,458)	(758,471)
Loss before income tax	14	<u>(1,473,441)</u>	<u>(1,107,172)</u>
Income tax expense	15	-	-
Loss after income tax		<u>(1,473,441)</u>	<u>(1,107,172)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u><u>(1,473,441)</u></u>	<u><u>(1,107,172)</u></u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Statement of Changes in Equity

For the financial year ended March 31, 2017

	Share capital	Accumulated losses	Total
	S\$	S\$	S\$
Balance as at 01.07.2015	15,735,600	(5,750,771)	9,984,829
Total comprehensive loss for the year	-	(1,107,172)	(1,107,172)
Balance as at 31.03.2016	15,735,600	(6,857,943)	8,877,657
Total comprehensive loss for the year	-	(1,473,441)	(1,473,441)
Balance as at 31.03.2017	15,735,600	(8,331,384)	7,404,216

The annexed accounting policies and explanatory notes form an integral part of the financial statements

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Statement of Cash Flows

For the financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Cash flows from operating activities		
Loss before income tax	(1,473,441)	(1,107,172)
Adjustments for:-		
Fair value decrease on investment property	110,000	85,000
Impairment loss on investment in subsidiary	-	87,557
Depreciation of plant and equipment	381,476	408,947
Operating loss before working capital changes	(981,965)	(525,668)
Trade receivables	154,483	(179,625)
Other receivables	1,671,913	(17,871)
Trade payables and accruals	(17,188)	(59,750)
Other payables	(2,762)	(7,459)
Net cash from/(used in) operating activities	<u>824,481</u>	<u>(790,373)</u>
Cash flows from investing activities		
Purchase of plant and equipment	(656,288)	(60,596)
Investment in subsidiary	(295,483)	-
Net cash used in investing activities	<u>(951,771)</u>	<u>(60,596)</u>
Cash flows from financing activities		
Other payables - holding company and related party	1,924	8,657
Net cash from financing activities	<u>1,924</u>	<u>8,657</u>
Net decrease in cash and cash equivalents	(125,366)	(842,312)
Cash and cash equivalents brought forward	549,203	1,391,515
Cash and cash equivalents carried forward	<u>423,837</u>	<u>549,203</u>
Cash and cash equivalents comprise:-		
Cash at banks	423,837	549,203
	<u>423,837</u>	<u>549,203</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Notes to the Financial Statements

For the financial year ended March 31, 2017

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

1 Corporate information

The Company (Registration No. 200803978D) is a private limited Company incorporated and domiciled in Singapore. Subsequent to the financial year, on April 3, 2017, the Company changed its name from "S GIC Pte. Ltd." to "S Global Services Pte. Ltd."

The registered and administrative office of the Company is located at 152 Ubi Avenue 4, Singapore 408826.

The principal activities of the Company are to provide mobile value added services in telecommunications.

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

Holding company

The Company is a wholly-owned subsidiary of **Spice Digital Limited**, a company incorporated in the Republic of India, which is a subsidiary of Spice Mobility Ltd, a company incorporated in the Republic of India. The ultimate holding company is **Smart Global Corporate Holdings Pvt. Ltd.**, a company incorporated in the Republic of India.

Subsidiaries

Refer Note 5 to the financial statements for the Company's investment in subsidiaries and their principal activities.

2 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, Chapter 50. These financial statements are the separate financial statements of S Global Services Pte. Ltd.. The Company is exempted from the preparation of consolidated financial statements as the Company is held by Spice Digital Limited., a company incorporated in Republic of India, which prepares consolidated financial statements available for public use.

The corporate office of Spice Digital Limited is as follow:

Spice Digital Limited

S Global Knowledge Park

19A & 19B, Sector -125, Noida - 201301, UP, India

The financial statements are expressed in Singapore Dollar (S\$), and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying 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.

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

a) Basis of preparation (Cont'd)

These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

The Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS 1 (Amendments) : Disclosure Initiative

FRS 16/ (Amendments) : Clarification of Acceptable Methods of Depreciation and
FRS 38 Amortisation

Improvements to FRSs

FRS 19 (Amendments) : Employee Benefits

FRS 107 (Amendments) : Financial Instruments: Disclosures

The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements.

b) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the years that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Investment property

Investment property is stated at fair value in accordance with FRS 40. Fair value is determined by the management based on the open market value of the property on the existing use basis of property in similar location, advice from independent valuers and also considering the value of property sold after year end, if any. The valuation determined by management may differ from independent valuers' valuation.

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

b) Critical judgments in applying the entity's accounting policies (Cont'd)

Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment loss, if any. In determining if there is any impairment, the management evaluates the market and economic environment in which the entities operates, the economic performance, the forecasted results, the net assets values, and the operating cash flow of these entities. The evaluation of these factors involves a significant degree of management judgment.

Allowance for trade and other receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

c) Foreign currency transactions

(i) *Functional currency*

The functional currency of the Company is Singapore Dollar, being the currency of the primary economic environment in which the Company operates.

(ii) *Transactions and balances*

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the profit or loss for the year.

d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives at the following annual rates:

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

e) Depreciation of plant and equipment

Office equipment	-	20%
Computers:		
- Office	-	33.33%
- Onsite	-	20%

Capital work-in-progress is not depreciated till the development is completed.

f) Investment property

Investment property which is property held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment property is included in profit or loss for the year in which they arise.

g) Investment in subsidiaries

Subsidiaries are entities over which the Company has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the 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 Company controls another entity.

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

h) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

h) Impairment of non-financial assets (Cont'd)

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

i) Financial instruments

Financial instruments comprise financial assets and liabilities and they are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Financial assets are classified as one of the financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Recognition

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at the time of initial recognition, and where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

As of year end the Company has the following classes of financial assets:-

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as "trade and other receivables" and "cash and bank balances" on the statement of financial position.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

i) Financial instruments (Cont'd)

Recognition (Cont'd)

- Loans and receivables (Cont'd)

They are presented as current assets, except for that with maturity later than 12 months after the financial position date which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. For short term receivables the nominal cost would approximate the fair value.

Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if any, 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

i) Financial instruments (Cont'd)

Derecognition (Cont'd)

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interest-bearing loans and borrowings.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for finance costs.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expire.

j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash at bank.

k) Related party

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others, classified as related companies);
 - (ii) One entity is an associate or joint venture of the other entity (for an associate or joint venture of a member of a group of which the other entity is a member);

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Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

k) Related party (Cont'd)

- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of the third entity and the other entity is an associate of the third party;
- (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); and
- (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).

l) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities, net of goods and services tax.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:-

Rendering of services

Revenue from rendering of services is recognised when the services is rendered on accrual basis.

The percentage of completion method is calculated as the proportion of costs incurred to date to the estimated total costs for the project.

Rental income

Rental income from plant and equipment is recognised on a straight-line monthly basis over the lease term.

m) Employee benefits

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (Cont'd)

n) Operating lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

o) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

3 Plant and equipment

<u>2017</u>	Office equipment	Computers office	Computers onsite	Capital work- in-progress	Total
	S\$	S\$	S\$	S\$	S\$
Cost					
At April 1, 2016	17,763	11,643	2,101,492	42,054	2,172,952
Additions	-	-	39,837	616,451	656,288
At March 31, 2017	17,763	11,643	2,141,329	658,505	2,829,240
Depreciation					
At April 1, 2016	17,762	10,941	1,108,224	-	1,136,927
Charge for the year	-	255	381,221	-	381,476
At March 31, 2017	17,762	11,196	1,489,445	-	1,518,403
Net book value					
At March 31, 2017	1	447	651,884	658,505	1,310,837
<u>2016</u>	Office equipment	Computers office	Computers onsite	Capital work- in-progress	Total
	S\$	S\$	S\$	S\$	S\$
Cost					
At April 1, 2015	17,763	10,878	1,892,596	191,119	2,112,356
Additions	-	765	59,831	-	60,596
Reclassifications	-	-	149,065	(149,065)	-
At March 31, 2016	17,763	11,643	2,101,492	42,054	2,172,952
Depreciation					
At April 1, 2015	17,762	10,877	699,341	-	727,980
Charge for the year	-	64	408,883	-	408,947
At March 31, 2016	17,762	10,941	1,108,224	-	1,136,927
Net book value					
At March 31, 2016	1	702	993,268	42,054	1,036,025

Computers on Site include hardware servers for enabling mobile value added services located in various countries. The Company, by means of an agreement, has provided these for use by its immediate holding company "Spice Digital Ltd" in order to render mobile value added services. The Company earns a fixed share of the revenue stream earned by the immediate holding company. If the asset could not be put to use by the immediate holding company a minimum guarantee amount, which will be earned starting April 2015, is calculated at 120% of the cost of equipment deployed over a period of 60 months after a gestation period of 12 months from the date asset is ready to use. The minimum guarantee will be provided by the immediate holding company.

4 Investment property

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>At fair value</i>		
At beginning of year	1,190,000	1,275,000
Decrease in fair value	(110,000)	(85,000)
At end of year	<u>1,080,000</u>	<u>1,190,000</u>

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

4 Investment property (Cont'd)

The investment property is located at 2 Marina Boulevard, #16-07 The Sail @ Marina Boulevard, Singapore 018987. The property is on a 99 years lease commencing from August 12, 2002.

The fair value is arrived at based on the management valuation. The management valuation is based on the sale consideration from sale of the unit in May 2017.

5 Investment in subsidiaries

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Unquoted equity shares at cost	6,006,997	5,711,514
Impairment loss:		
- Balance at beginning of year	(2,654,572)	(2,567,015)
- Charge for the year	-	(87,557)
- Balance at end of year	<u>(2,654,572)</u>	<u>(2,654,572)</u>
	<u>3,352,425</u>	<u>3,056,942</u>

Details of subsidiaries are as follows:-

<u>Name of subsidiaries</u>	<u>Country of incorporation and place of business</u>	<u>Principal activities</u>	<u>Percentage of equity held</u>		<u>Cost</u>	
			<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
			%	%	S\$	S\$
Spice Vas (Africa) Pte. Ltd. (*) (@)	Singapore	Investment holding and software consultancy business of telecommunication activities	69.63	69.63	3,009,534	3,009,534
Beoworld Sdn Bhd (#)	Malaysia	Developing an advertisement portal by way of building a virtual network	100	100	2,701,980	2,701,980
PT Spice Digital Indonesia	Indonesia	Business of telecommunication activities	99.6 (**)	-	264,983	-
Omnia Pte. Ltd.	Singapore	Investment holding	100	-	25,500	-
S Mobility Pte. Ltd.	Singapore	Investment holding	100	-	5,000	-
Spice Digital FZCO (^)	Dubai	Computer software house	100	-	-	-
					<u>6,006,997</u>	<u>5,711,514</u>

(*) Audited by Natarajan & Swaminathan, Singapore.

(#) Audited by other firm of auditors.

(@) Has interest in 9 sub-subsidiaries located in African continent.

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

5 Investment in subsidiaries (Cont'd)

(**) The remaining 0.4% equity of the subsidiary is held by a certain shareholder in Indonesia in order to meet requirements of the local laws. However these shares are pledged by him to the Company.

(*) The share capital at incorporation of S\$56,900 (AED150,000) is not invested as at year end.

6 Trade receivables

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Outside parties	35,392	100,191
Holding company	1,318	55,577
Unbilled receivables	150,171	246,220
	<u>186,881</u>	<u>401,988</u>
Less: Allowance for bad debts		
- Balance at beginning of year	94,334	7,248
- Charge for the year	9,616	87,086
- Amount written off during the year	(70,240)	-
- Balance at end of year	<u>33,710</u>	<u>94,334</u>
	<u>153,171</u>	<u>307,654</u>

The average credit period allowed to customers is 90 days (2016:90 days).

The table below is an analysis of trade receivable aging:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Not past due	1,575	16,973
Past due 1 to 90 days	1,425	7,991
Past due more than 90 days	-	36,470
Unbilled receivables	150,171	246,220
	<u>153,171</u>	<u>307,654</u>

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable. Allowance for doubtful debts is made for receivables that are impaired and doubtful of recovery.

The trade receivables that are not denominated in Singapore Dollar are as follows:-

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Malaysian Ringgit	292	290
United States Dollar	-	15,790

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Notes to the Financial Statements

For the financial year ended March 31, 2017

7 Other receivables

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Sundry receivables	2,876	13,065
Holding company	-	162,150
Subsidiary	1,077,474	2,575,226
Deposit	41,009	32,097
Prepayment	59,278	70,012
	<u>1,180,637</u>	<u>2,852,550</u>

The amount due from holding company and subsidiary are unsecured, interest free and repayable on demand.

The other receivables that are not denominated in Singapore Dollar are as follows:-

	<u>2017</u>	<u>2016</u>
	S\$	S\$
United States Dollar	<u>39,044</u>	<u>26,289</u>

8 Share capital

	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	No. of shares issued	S\$	No. of Shares issued	S\$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	<u>15,735,600</u>	<u>15,735,600</u>	<u>15,735,600</u>	<u>15,735,600</u>

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.

9 Trade payables and accruals

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Trade payables:		
- Outside party	9,413	9,201
- Holding company	-	24,982
Accrued expenses	69,450	61,868
	<u>78,863</u>	<u>96,051</u>

The average credit period on services received is 30 days (2016:30 days). No interest is charged on the trade payables.

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

9 Trade payables and accruals (Cont'd)

The trade payables and accruals that are not denominated in Singapore Dollar are as follows:-

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Indonesian Rupiah	-	7,244
Indian Rupee	-	24,982
	<u> </u>	<u> </u>

10 Other payables

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Sundry payables	7,247	10,009
Holding company	10,581	-
Subsidiary	-	8,657
	<u>17,828</u>	<u>18,666</u>

The amount due to holding company and subsidiary are unsecured, interest free and repayable on demand.

11 Revenue

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Service income	13,447	94,995
Income from rental of plant and equipment	327,723	304,676
	<u>341,170</u>	<u>399,671</u>

12 Other income

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Foreign exchange gain	-	8,214
Miscellaneous income	8,657	46,020
Rental income from investment properties	45,600	42,910
	<u>54,257</u>	<u>97,144</u>

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

13 Salaries and employee benefits

Salaries and employee benefits for the years ended March 31;

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Salaries	553,864	233,227
Staff accommodation	50,990	-
Staff welfare	657	-
	<u>605,511</u>	<u>233,227</u>

The remuneration of directors and other members of key management during the year were as follows:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Salaries and other employee benefits	<u>442,978</u>	<u>230,973</u>

14 Loss before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Value added service charges included in cost of services	7,423	30,785
Allowance for bad debts - trade (outside parties)	9,616	87,086
Foreign exchange loss/(gain)	1,740	(8,214)
Investment properties expenses:		
- Property tax	2,880	3,294
- Repair and maintenance	340	1,746
Operating lease - rent	<u>168,144</u>	<u>126,869</u>

15 Income tax expense

No provision for income tax has been set up in 2017 and 2016 in view of the losses incurred.

As at statement of financial position date, the Company has unutilised tax losses and capital allowances of approximately S\$1,875,000 and S\$2,733,000 respectively (2016:S\$866,000 and S\$2,619,000, respectively), which are available for set off against the future taxable profits, subject to compliance with Section 37 of the Income Tax Act, Cap.134 and agreement by the Comptroller of Income Tax.

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

15 Income tax expense (Cont'd)

The following tax assets/(liabilities) as at the end of the financial year are not recognised in the financial statements, as future taxable profits cannot be reasonably ascertained:-

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Differences in depreciation	(223,000)	(176,000)
Unutilised tax losses	319,000	147,000
Unutilised capital allowances	472,000	445,000
	<u>568,000</u>	<u>416,000</u>

16 Holding company and related party transactions

Some of the Company's transactions and arrangement are with holding company and related party and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

During the year, the Company entered into the following trading transactions:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Holding company:</i>		
Income from rental of plant and equipment	327,723	304,676
Value added service charges	7,423	25,451
	<u>335,146</u>	<u>330,127</u>
<i>Related party:</i>		
Operating lease - rent	-	40,000
	<u>-</u>	<u>40,000</u>

17 Operating lease arrangements/commitments

At the statement of financial position date, the Company has contracted with tenants for the following future minimum lease receivable:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Rental income:</i>		
Within 1 year	31,500	35,100
	<u>31,500</u>	<u>35,100</u>

As at statement of financial position date, the commitments in respect of operating leases were follows:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Rental expense:</i>		
Within 1 year	98,000	121,666
	<u>98,000</u>	<u>121,666</u>

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

18 Capital commitments

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Investment in subsidiary	<u>56,900</u>	-

19 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Financial assets		
Loans and receivables	<u>1,698,367</u>	<u>3,639,395</u>

Loans and receivables under financial assets comprise trade receivables, other receivables and cash at banks.

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Financial liabilities		
Amortised cost	<u>96,691</u>	<u>114,717</u>

Amortised cost under financial liabilities comprises trade payables and accruals and other payables.

(b) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Fair value measurement at end of the financial year using:			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	S\$	S\$	S\$	S\$
<u>2017</u>				
Assets				
Investment property (refer Note 4)	-	-	1,080,000	<u>1,080,000</u>
Liabilities	-	-	-	<u>-</u>

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Notes to the Financial Statements

For the financial year ended March 31, 2017

19 Financial instruments, financial and capital risk management (Cont'd)

(b) Fair value measurements (Cont'd)

	Fair value measurement at end of the financial year using:			Total
	Level 1	Level 2	Level 3	
	S\$	S\$	S\$	S\$
<u>2016</u>				
Assets				
Investment property (refer Note 4)	-	-	1,190,000	1,190,000
Liabilities	-	-	-	-

The financial assets and liabilities of the Company comprise trade receivables and other receivables, cash at banks, trade payables and accruals and other payables. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

(c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimise potential adverse effects of financial performance of the Company. Each of these risks are summarised below:

Interest risk

The Company has no significant exposure to market risk for changes in interest rates because it has no interest bearing borrowings from any external sources.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of bank balances that is sufficient for working capital purposes.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount	Cash flows		
		Contractual Cash flow	Less than 1 year	
	S\$	S\$	S\$	S\$
<u>2017</u>				
Non-derivative financial liabilities				
Trade and other payables	96,691	(96,691)	(96,691)	-
<u>2016</u>				
Non-derivative financial liabilities				
Trade and other payables	114,717	(114,717)	(114,717)	-

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

19 Financial instruments, financial and capital risk management (Cont'd)

(c) Financial risk (Cont'd)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

As at statement of financial position date, the Company has no significant concentration of credit risk in relation to any single external party. The Company does not foresee any risk of default by the parties. Further details of credit risks on trade receivables are disclosed in Note 6 to the financial statements. It has amount receivable from its holding company for which there is no risk of default.

Cash at banks are placed with credit worthy financial institutions.

The carrying amount of the Company's trade receivables, other receivables and cash at banks represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Foreign currency risk

The Company's transactions are mainly in Singapore Dollar and hence has no significant exposure to foreign currency risk.

Price risk

The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of cash and cash equivalents and shareholders' equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

The management's overall strategy remains unchanged from 2016.

20 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

		<u>Effective from annual periods beginning on or after</u>
FRS 7	(Amendments) : Disclosure Initiative	January 1, 2017
FRS 12	(Amendments) : Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017

S Global Services Pte. Ltd.

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Notes to the Financial Statements

For the financial year ended March 31, 2017

20 New accounting standards and FRS interpretations *(Cont'd)*

	<u>Effective from annual periods beginning on or after</u>
FRS 40 (Amendments) : Transfers of Investment Property	January 1, 2018
FRS 102 (Amendments) : Classification and Measurement of Share-based Payment Transactions	January 1, 2018
FRS 109 : Financial Instruments	January 1, 2018
FRS 115 (Amendments) : Revenue from Contracts with Customers	January 1, 2018
FRS 116 : Leases	January 1, 2019

Improvements to FRSs

FRS 101 (Amendments) : First-time Adoption of Financial Reporting Standards	January 1, 2018
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The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

21 Subsequent event

Subsequent to the financial year, the Company has sold the investment property for a consideration of S\$1,080,000.

22 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on May 19, 2017.

S Global Services Pte. Ltd.

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The Accompanying Supplementary Detailed Income Statement

Has Been Prepared For Management Purposes Only

And Does Not Form Part Of The Audited Financial Statements

S Global Services Pte. Ltd.

(Formerly Known As S GIC Pte. Ltd.)

Detailed Income Statement

For the financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Revenue		
Service income	13,447	94,995
Income from rental of plant and equipment	327,723	304,676
	<u>341,170</u>	<u>399,671</u>
Other income		
Foreign exchange gain	-	8,214
Miscellaneous income	8,657	46,020
Rental income from investment properties	45,600	42,910
	<u>54,257</u>	<u>97,144</u>
Fair value decrease on investment property	<u>(110,000)</u>	<u>(85,000)</u>
Cost of services		
Value added service charges	<u>(7,423)</u>	<u>(30,785)</u>
Salaries and employee benefits		
Salaries	(553,864)	(233,227)
Staff accommodation	(50,990)	-
Staff welfare	(657)	-
	<u>(605,511)</u>	<u>(233,227)</u>
Depreciation of plant and equipment	<u>(381,476)</u>	<u>(408,947)</u>
Impairment loss on investment in subsidiary	<u>-</u>	<u>(87,557)</u>
Other operating expenses		
Advertising and promotion	(7,654)	(49,118)
Allowance for bad debts - trade (outside parties)	(9,616)	(87,086)
Bank charges	(9,557)	(6,656)
Consultancy expenses	(380,999)	(343,990)
Foreign exchange loss	(1,740)	-
General expenses	(2,265)	(10,982)
Insurance expenses	(16,036)	(3,841)
Operating lease - rent	(168,144)	(126,869)
Professional fees	(18,209)	(37,599)
Property tax	(2,880)	(7,530)
Postage and courier	(161)	-
Printing and stationery	(222)	-
Repairs and maintenance	(340)	(1,746)
Subscription charges	(428)	-
Telephone	(4,833)	(3,493)
Transportation	(11,940)	(9,382)
Travelling	(124,128)	(68,723)
Utility expenses	(5,306)	(1,456)
	<u>(764,458)</u>	<u>(758,471)</u>

....Cont'd

S Global Services Pte. Ltd.

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Detailed Income Statement

For the financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Loss before income tax	(1,473,441)	(1,107,172)
Income tax expense		
- Current year	-	-
- Foreign withholding tax	-	-
Loss after income tax	<u>(1,473,441)</u>	<u>(1,107,172)</u>
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(1,473,441)</u>	<u>(1,107,172)</u>

Not Part Of Audited Financial Statements