

AAT GLOBAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

AAT GLOBAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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(Expressed in Hong Kong Dollars)

**AAT GLOBAL LIMITED
DIRECTORS' REPORT**

The Directors present their report and the annual financial statements of the Company for the financial year ended 31st March 2017.

Directors

The names of persons who were the directors of the Company during the year beginning with the end of the financial year and ending on the date of this report are as follow:

Agarwal Kamlesh
Principal Management Limited

The company did not enter into any contract, other than the contract of service with the directors or any person engaged in the full-time employment of the Company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

Principal activities

The Company's principal activities are set out in note 1(b) to financial statements.

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company.

Business review

The Company falls within reporting exemption for the reporting year under section 359(1) of the Hong Kong Companies Ordinance. Accordingly, the Company is exempted from preparing a business review for this financial year.

Arrangements to purchase shares or debentures

At no time during the year was the Company or its subsidiaries company a party to any arrangements 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.

Recommended dividends

The Directors do not recommend the payment of dividend for the financial year.

Equity link arrangement

The Company, or its subsidiary has not entered into an equity-linked agreement during the financial year.

At the end of the year, the Company subsisted of no equity-linked agreement.

Share capital

Details of share capital of the Company are set out in page 7 to the Company's financial statements. There were no movements during the year.

Approval of directors' report

This report was approved by the Directors on 08 MAY 2017

On behalf of the Directors



Agarwal Kamlesh
Director
India



Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

AUDITORS' REPORT TO THE MEMBERS OF AAT GLOBAL LIMITED

(Incorporated in Hong Kong with Limited Liability)

We have audited the financial statements of AAT Global Limited ("the Company") set out on pages 4 to 17, which comprise the statement of financial position as at 31st March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1, but does not include the financial statements and our auditor's report thereon.

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 Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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



Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

**AUDITORS' REPORT TO THE MEMBERS OF
AAT GLOBAL LIMITED**

(Incorporated in Hong Kong with Limited Liability)

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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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Sky Best CPA Ltd

Sky Best CPA Limited
Certified Public Accountants (Practising)
JIU Pui Hong
Practising number (P02259)
Hong Kong

08 MAY 2017

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AAT GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2017


	Note	2017 HK\$	2016 HK\$
Turnover	(4)	237,661,254	44,555,628
Cost of Sales		<u>(229,912,526)</u>	<u>(40,476,392)</u>
Gross Profit		7,748,728	4,079,236
	(4)	1,606,074	2,201,534
Other Revenue			
Expenses		(5,700,525)	(3,827,192)
Finance Costs	(5)	<u>(3,296,046)</u>	<u>(3,062,601)</u>
Profit / (Loss) before tax	(6)	358,231	(609,023)
Income Tax Expense		<u>-</u>	<u>-</u>
Profit / (Loss) for the Year		<u><u>358,231</u></u>	<u><u>(609,023)</u></u>

The notes on pages 8 to 17 form an integral part of these Financial Statements.

AAT GLOBAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2017


	Note	2017 HK\$	2016 HK\$
Non-current Assets			
Investment in Subsidiary	(13)	109,169,128	111,116,754
		<u>109,169,128</u>	<u>111,116,754</u>
Current Assets			
Receivables from Holding company	(15)	509,068	509,068
Trade and Other Receivable	(11)	40,280,014	39,167,805
Cash & Cash Equivalents	(9)	210,629	9,431,877
		<u>40,999,711</u>	<u>49,108,750</u>
Total Assets		<u><u>150,168,839</u></u>	<u><u>160,225,504</u></u>
EQUITY & LIABILITIES			
Capital Reserve			
Share Capital	(14)	70,783,680	70,783,680
Retained Earnings		<u>(5,431,462)</u>	<u>(5,789,693)</u>
Total Equity		<u><u>65,352,218</u></u>	<u><u>64,993,987</u></u>
Non-Current Liabilities			
Amount due to Holding Company	(15)	42,817,583	40,807,449
Bank Borrowings	(10), (16)	<u>-</u>	<u>10,618,103</u>
		<u>42,817,583</u>	<u>51,425,552</u>
Current Liabilities			
Trade and Other Payable	(12)	18,686,037	20,535,790
Bank Borrowings	(10), (16)	<u>23,313,000</u>	<u>23,270,174</u>
		<u>41,999,037</u>	<u>43,805,964</u>
Total Liabilities		<u><u>84,816,620</u></u>	<u><u>95,231,517</u></u>
Total Equity & Liabilities		<u><u>150,168,839</u></u>	<u><u>160,225,504</u></u>

On behalf of the Directors



 Agarwal Kamlesh
 Director

For and on behalf of
Principal Management Limited



 Authorized Signature(s)

 Principal Management Limited
 Director

The notes on pages 8 to 17 form an integral part of these Financial Statements.

AAT GLOBAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2017

	2017 HK\$	2016 HK\$
Cash flows from operating activities		
(Loss) / Profit before taxation	358,231	(609,023)
Interest Income	(1,606,074)	(2,201,534)
Interest Expenses	3,220,190	3,019,539
	1,972,346	208,982
Change in inventories	-	2,730,195
Change in accounts receivables	(1,112,209)	(88,143)
Change in account payables	4,569,123	8,258,066
Cash (used in) / generated from operation	5,429,261	11,109,100
Interest paid	(3,220,190)	(3,019,539)
Income tax paid	-	-
Net Cash (used in) / from operating activities	<u>2,209,071</u>	<u>8,089,561</u>
Cash flows from investing activities		
Change in Loan to subsidiary	1,947,626	(63,286)
Interest received	1,606,074	2,201,534
Net Cash (used in) / from investing activities	<u>3,553,700</u>	<u>2,138,249</u>
Cash flows from financing activities		
Repayment of Loan	(10,575,277)	(10,600,290)
Changes in advance from ultimate holding company	(6,418,876)	7,491,702
Change in received from/amount due to holding Company (net)	2,010,134	1,720,528
Net Cash (used in) / from financing activities	<u>(14,984,019)</u>	<u>(1,388,060)</u>
Net changes in cash and cash equivalents	(9,221,248)	8,839,750
Cash and cash equivalents at beginning of Year	9,431,877	592,127
Cash and cash equivalents at end of Year (Note A)	<u>210,629</u>	<u>9,431,877</u>
A. Components of cash and cash equivalents		
Cash and bank balances	210,629	9,431,877
Cash and cash equivalents reported in statement of cash flows and in statement of financial position	210,629	9,431,877

The notes on pages 8 to 17 form an integral part of these Financial Statements.

AAT GLOBAL LIMITED

STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2017

	2017	2016
	<u>HK\$</u>	<u>HK\$</u>
Share Capital		
Balance at beginning of year	70,783,680	70,783,680
Issue of shares	<u>-</u>	<u>-</u>
Balance at end of year	<u>70,783,680</u>	<u>70,783,680</u>
Retained Earnings		
Balance at beginning of year	(5,789,693)	(5,180,669)
Profit / (Loss) for the year	<u>358,231</u>	<u>(609,023)</u>
Balance at end of year	<u>(5,431,462)</u>	<u>(5,789,693)</u>
Total Equity	<u><u>65,352,218</u></u>	<u><u>64,993,987</u></u>

The notes on pages 8 to 17 form an integral part of these Financial Statements.

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. GENERAL INFORMATION

(a) Definition

In these reporting documents, the following terms shall have the following meanings:

The Company	AAT Global Limited
The Directors	all of the directors of the Company
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622) which came into operation on 3rd March 2014
Predecessor Companies Ordinance	Predecessor Hong Kong Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of the Hong Kong Companies Ordinance
HKICPA	Hong Kong Institute of Certified Public Accountants
HKFRS for PE	Hong Kong Financial Reporting Standard for Private Entities issued by HKICPA
Cash equivalents	short-term, highly liquid investments those are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction
Related company	a company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence

(b) Corporate Information

The Company is a company incorporated in Hong Kong under Predecessor Companies Ordinance with limited liability. At the date of issue of these financial statements, the registered office of the Company is located at Office 4, 10/F., Kwan Chart Tower, No.6 Tonnochy Road, Wanchai, Hong Kong.

The principal activities of the company are engaged in trading and investment in subsidiary.

(c) Presentation currency and level of rounding

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest one dollar.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements comply with all applicable sections of HKFRS for PE and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

2. BASIS OF PREPARATION (CONTINUED)

(b) Reporting exemption

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the Directors resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRS for PE. The Directors have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by HKFRS for PE.

(c) Basis of Measurement

The measurement bases used in preparing these financial statements are set out in note 3 to financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements present financial information of the Company. The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment. Turnover comprises revenue generated from the principal activities of the Company. Other revenue includes exchange gain (net of exchange loss), gain on disposal of capital assets and reversal of provisions.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Company and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases.

Sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

Interest income is recognised using the effective interest method on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Borrowing Costs

Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance charges in respect of finance leases and exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are recognised as an expense in the year in which they are incurred.

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income Tax

Income tax comprises current tax and deferred tax.

Current tax is measured based on estimated taxable profit for the year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of an asset or liability in a transaction that affects neither accounting profit nor taxable profit or tax loss. The measurement of deferred tax liabilities associated with an investment property measured at fair value shall not exceed the amount of tax that would be payable on its sales to an unrelated market participant at fair value at the end of reporting period. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset and liability in a transaction that affects neither the accounting profit nor the taxable profit or tax loss.

The net carrying amount of deferred tax assets is reviewed at the end of each reporting period and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Current and deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method.

(e) Impairment of non-current assets other than financial assets

At the end of each reporting period, non-current assets other than financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency transactions

The functional currency of the Company is Hong Kong Dollar. Foreign currency transactions are translated into the functional currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the approximate rates of exchange ruling at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rates at that date when the fair value was determined. Exchange differences arising on the settlement or translation of foreign currency monetary items are recognised in profit or loss. However, exchange differences relating to a gain or loss on a non-monetary item that is recognised in other comprehensive income is recognised in other comprehensive income too.

(g) Inventories

Inventories are measured at initial recognition at cost and subsequently measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on first-in, first-out basis and comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. At the end of each reporting period, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with impairment loss recognised immediately in profit or loss. When the inventories are sold, the carrying amount of inventories is recognised as an expense in the year in which the related revenue is recognised.

(h) Trade and other receivables

Trade and other receivables are measured at initial recognition at transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

(i) Components of cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the statement of cash flows.

(j) Trade and other payables

Trade and other payables are measured at initial recognition at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

AAT GLOBAL LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Borrowings

Borrowings are measured at initial recognition at the transaction price and are subsequently measured at amortised cost. All borrowings are classified as current liabilities unless the Company has a pre-defined repayment schedule or an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Interest expense is recognised on the basis of the effective interest method and is recognised in profit or loss.

When the borrowing agreement contains clause that gives the lender unconditional right to demand repayment at any time disregarding the pre-defined repayment schedule, the borrowing is classified as a current liability in the statement of financial position irrespective of the probability that the lender will invoke the clause without cause.

(l) Related Parties

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

(m) Related Companies

Companies over which members of key management of the Company are able to exercise control or significant influence are considered to be related.

4. REVENUE

	2017	2016
	HK\$	HK\$
Included in turnover		
Sales	237,661,254	44,555,628
	<u>237,661,254</u>	<u>44,555,628</u>
Included in other revenue and other net gain		
Bank Interest Income	1,606,074	2,201,534
	<u>239,267,328</u>	<u>46,757,162</u>

5. FINANCE COST

	2017	2016
	HK\$	HK\$
Bank Charges	75,647	42,852
Interest Paid	3,220,399	3,019,749
	<u>3,296,046</u>	<u>3,062,601</u>

AAT GLOBAL LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2017

6. PROFIT / (LOSS) BEFORE TAX

The following items have been recognised as expenses / (income) in determining profit / (loss) before tax :

	2017	2016
	<u>HKS</u>	<u>HKS</u>
Cost of inventories recognised as expense	229,912,526	40,476,392
Auditor's Remuneration	25,000	18,960
Guarantees Fee	386,084	826,867
Exchange Loss	4,890,595	2,296,538
Legal and Professional Fee	<u>580</u>	<u>-</u>

7. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as

	2017	2016
	<u>HKS</u>	<u>HKS</u>
Auditor's Remuneration	25,000	18,960
Auditor's Expenses	<u>-</u>	<u>-</u>
	<u>25,000</u>	<u>18,960</u>

8. INCOME TAX EXPENSE

No provision for Hong Kong Profit tax has been made as in the opinion of the directors the income of the company is wholly derived from source outside Hong Kong.

No provision for deferred liabilities has been made as the effect of all temporary difference is immaterial.

No deferred tax assets were recognised as their realisation was remote.

9. CASH AND CASH EQUIVALENTS

	2017	2016
	<u>HKS</u>	<u>HKS</u>
Cash at Bank and in Hand	210,629	9,431,877
Deposit with Banks	<u>-</u>	<u>-</u>
Cash and Cash Equivalents in the Statement of Financial Position	210,629	9,431,877
Bank Overdraft	<u>-</u>	<u>-</u>
Cash and Cash Equivalents in the Statement of Cash Flow	<u>210,629</u>	<u>9,431,877</u>

AAT GLOBAL LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2017

10. FINANCIAL INSTRUMENTS

	2017	2016
	HK\$	HK\$
Bank Borrowings		
Repayable within one year	23,313,000	23,270,174
Repayable beyond one year	-	10,618,103
	<u>23,313,000</u>	<u>33,888,277</u>

11. TRADE AND OTHER RECEIVABLES

	Note	Related parties HK\$	Third parties HK\$	Total HK\$
2017				
Accounts Receivable		-	6,633,670	6,633,670
Advance paid to Suppliers		-	2,214,955	2,214,955
Advance paid to Subsidiary		31,431,388	-	31,431,388
		<u>31,431,388</u>	<u>8,848,626</u>	<u>40,280,014</u>

	Note	Related parties HK\$	Third parties HK\$	Total HK\$
2016				
Accounts Receivable		-	7,508,510	7,508,510
Advance paid to Suppliers		-	-	-
Advance to Subsidiary		31,373,654	-	31,373,654
Prepaid Interest		-	285,641	285,641
		<u>31,373,654</u>	<u>7,794,151</u>	<u>39,167,805</u>

12. TRADE AND OTHER PAYABLE

	Note	Related parties HK\$	Third parties HK\$	Total HK\$
2017				
Trade Payables		-	13,600,229	13,600,229
Interest Payable		-	198,525	198,525
Advance received from ultimate holding company		3,459,743	-	3,459,743
Guarantee fee payable to ultimate holding company		1,402,540	-	1,402,540
Accrued Expense		-	25,000	25,000
		<u>4,862,283</u>	<u>13,823,754</u>	<u>18,686,037</u>
Current Liabilities		<u>(4,862,283)</u>	<u>(13,823,754)</u>	<u>(18,686,037)</u>
Non-current Liabilities		<u>-</u>	<u>-</u>	<u>-</u>

AAT GLOBAL LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2017

12. TRADE AND OTHER PAYABLE (Con't)

	Note	Related parties	Third parties	Total
		HK\$	HK\$	HK\$
2016				
Trade Payables		-	9,472,796	9,472,796
Interest Payable		-	128,821	128,821
Advance received from ultimate holding company		9,878,619	-	9,878,619
Guarantee fee payable to ultimate holding company		1,037,074	-	1,037,074
Accrued Expense		-	18,480	18,480
		10,915,694	9,620,097	20,535,790
Current Liabilities		<u>(10,915,694)</u>	<u>(9,620,097)</u>	<u>(20,535,790)</u>
Non-current Liabilities		<u>-</u>	<u>-</u>	<u>-</u>

13. INVESTMENT IN A SUBSIDIARY

The detail of the subsidiary is as follow:

	2017	2016
	HK\$	HK\$
Unlisted equity securities, at cost	54,027,238	54,027,238
Addition		
Add: Due from subsidiary (Loan)	55,141,890	57,089,516
At 31 March	<u>109,169,128</u>	<u>111,116,754</u>
Advances to the subsidiary	31,431,388	31,373,654
	<u>140,600,516</u>	<u>142,490,408</u>

Details of the company's subsidiary as at the statement of financial position date are as follows:

Company	Country of Registration	Class of Shares held	Percentage held	Nature of Business
Shandong Dawn Himadri Chemical Industry Limited	PRC	Ordinary	94%	Chemical Industry Manufacturing

14. SHARE CAPITAL

	2017		2016	
	No. of shares	HK\$	No. of shares	HK\$
Issued and fully paid				
Ordinary share without par value	<u>70,783,680</u>	<u>70,783,680</u>	<u>70,783,680</u>	<u>70,783,680</u>

AAT GLOBAL LIMITED
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST MARCH 2017

15. RELATED PARTY DISCLOSURES

	2017 HK\$	2016 HK\$		
Related parties transactions				
Directors and other key management personnel				
Total remuneration	-	-		
Quarter Expense	-	-		
Movement of director current account	-	-		
Movement of shareholder current account	2,010,134	1,720,528		
	<u>2017</u> HK\$	<u>2016</u> HK\$		
Related companies				
Goods sold to ultimate holding company	237,661,206	35,687,133		
Goods purchased from subsidiary	33,266,043	16,662,021		
Interest received from subsidiary	1,606,074	2,201,534		
Guarantee Fees paid to ultimate holding company	386,084	826,867		
	<u>2017</u> HK\$	<u>2016</u> HK\$		
Amounts due from related parties				
Directors	-	-		
Shareholders	509,068	509,068		
Close family members of related parties	-	-		
Related companies	86,573,278	88,463,170		
	<u>87,082,346</u>	<u>88,972,238</u>		
			Greatest outstanding	Provision
Name of Borrower	2017 HK\$	2016 HK\$	HK\$	HK\$
Equal Commodical Private Limited	509,068	509,068	509,068	-
Shandong Dawn Himadri Chemical Industry Limited	86,573,278	88,463,170	88,463,170	-
	<u>87,082,346</u>	<u>88,972,238</u>		
	<u>2017</u> HK\$	<u>2016</u> HK\$		
Amounts due to related parties				
Directors	-	-		
Shareholders	42,817,583	40,807,449		
Close family members of related parties	-	-		
Related companies	1,402,540	1,037,074		
	<u>44,220,123</u>	<u>41,844,524</u>		

The amount due to holding company is unsecured bearing interest rate of 6 months Libor + 350 basis point. The Loan is repayable after 6 years from date of first drawal in 12 quarterly instalments.

The amount due from a subsidiary include HK\$55,141,890 towards loan which is unsecured, bearing interest rate of 4% per annum and is repayable after 3 years from final disbursement and HK\$31,431,388 towards advances which is interest free.

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

16. BANK LOAN, SECURED

The amount due to bank which is secured by documentary credit from Ultimate Holding Company includes Working Capital Loan from HSBC Hong Kong bearing interest at the rate of 3.6495%.

17. IMMEDIATE PARENT / ULTIMATE HOLDING COMPANY

At the end of the reporting period, the directors consider the immediate parent company to be "Equal Commodal Private Limited", incorporated in Kolkata, India and ultimate controlling party of the company to be "Himadri Speciality Chemical Limited", incorporated in Kolkata, India.

18. APPROVAL OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the Directors on 08 MAY 2017

AAT GLOBAL LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

(for management purposes only)

	2017	2016
	HK\$	HK\$
Revenue	237,661,254	44,555,628
Cost of Sales		
Opening Inventories	-	2,730,195
Purchase	224,497,821	37,746,197
Carriage Inward	5,414,705	-
Closing Inventories	-	-
	229,912,526	40,476,392
Gross Profit	7,748,728	4,079,236
Other Revenue and Net Gain		
Interest Income	1,606,074	2,201,534
	1,606,074	2,201,534
	9,354,802	6,280,770
Operating Expenses	(8,996,571)	(6,889,793)
Net Profit / (Loss) for the Year	358,231	(609,023)

AAT GLOBAL LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

(for management purposes only)

	2017	2016
	HK\$	HK\$
Administration Expenses		
Audit Fee	25,000	18,960
Carriage Outward	-	287,724
Commission Paid	-	397,103
Exchange Difference	4,890,595	2,296,538
Guarantees Fees	386,084	826,867
Legal and Professional Fee	580	-
Late Delivery Charges	336,383	-
Sales Promotion Expense	61,883	-
	<u>5,700,525</u>	<u>3,827,192</u>
Finance Costs		
Bank Charges	75,647	42,852
Interest paid	3,220,399	3,019,749
	<u>3,296,046</u>	<u>3,062,601</u>
Total Operating Expenses	<u><u>8,996,571</u></u>	<u><u>6,889,793</u></u>