VERLINVEST ASIA PTE. LTD.

(Registration No: 201437681G)

Statement by Directors and Financial Statements

Year Ended 31 December 2018

RSM Chio Lim LLP

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VERLINVEST ASIA PTE. LTD.

Statement by Directors and Financial Statements

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Statement by Directors

The directors of the company are pleased to present the financial statements of the company for the reporting year ended 31 December 2018.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the reporting year covered by the financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Ms. Axelle Catherine P. Henry (appointed on 1 February 2019)
Mr. Yuelin T. Yang

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporates as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act").

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable 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.

5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors

....	....
Ms. Axelle Catherine P. Henry	Mr. Yuelin T. Yang
Director	Director
20 June 2019	

RSM

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Independent Auditor's Report to the Member of VERLINVEST ASIA PTE. LTD.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Verlinvest Asia Pte. Ltd., which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and the Singapore Financial Reporting Standards ("SFRSs") so as to give a true and fair view of the financial position of the company as at 31 December 2018 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 ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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 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 the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

a) 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.

b) 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.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report to the Member of
VERLINVEST ASIA PTE. LTD.

Auditor's responsibilities for the audit of the financial statements (cont'd)

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 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.

e) 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.

The engagement partner on the audit resulting in this independent auditor's report is Chow Khen Seng.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

20 June 2019

Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2018

	Notes	2018 US$	2017 US$
Revenue			
Dividend income	4	252,924	11,351
Other gains	5	82,037	361
Total revenue		334,961	11,712
Expenses			
Other expenses	6	(1,291,067)	(1,098,371)
Employee benefits expense	7	(9,524,609)	(1,825,342)
Other losses	5	(64,702)	(1,598)
Finance costs	8	(47,326)	–
Total expenses		(10,927,704)	(2,925,311)
Loss before tax		(10,592,743)	(2,913,599)
Income tax expense	9	(11)	(26)
Total comprehensive loss		(10,592,754)	(2,913,625)

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

Statements of Financial Position
As at 31 December 2018

	Notes	2018 US$	2017 US$
ASSETS			
Non-current assets			
Plant and equipment	10	128,056	42,475
Investments in associates	11	82,842,531	14,460,608
Other financial assets	12	–	15,644,629
Total non-current assets		82,970,587	30,147,712
Current assets			
Trade and other receivables	13	4,693	824
Other assets	14	72,337	32,312
Cash and cash equivalents	15	5,043,036	729,175
Total current assets		5,120,066	762,311
Total assets		88,090,653	30,910,023
EQUITY AND LIABILITIES			
Equity			
Share capital	16	93,365,000	36,520,000
Accumulated losses		(16,966,420)	(6,373,666)
Total equity		76,398,580	30,146,344
Current liabilities			
Trade and other payables	17	11,692,073	763,689
Total current liabilities		11,692,073	763,689
Total liabilities		11,692,073	763,689
Total equity and liabilities		88,090,653	30,910,023

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

Statements of Changes in Equity
As at 31 December 2018

	Total equity US$	Share capital US$	Accumulated losses US$
Current year:			
Opening balance at 1 January 2018	30,146,334	36,520,000	(6,373,666)
Movements in equity:			
Issue of share capital (Note 16)	56,845,000	56,845,000	–
Total comprehensive loss for the year	(10,592,754)	–	(10,592,754)
Closing balance at 31 December 2018	76,398,580	93,365,000	(16,966,420)
Previous year:			
Opening balance at 1 January 2017	11,109,959	14,570,000	(3,460,041)
Movements in equity:			
Issue of share capital (Note 16)	21,950,000	21,950,000	–
Total comprehensive loss for the year	(2,913,625)	–	(2,913,625)
Closing balance at 31 December 2017	30,146,334	36,520,000	(6,373,666)

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

Statement of Cash Flows
Year Ended 31 December 2018

	2018 US$	2017 US$
Cash flows from operating activities		
Loss before tax	(10,592,743)	(2,913,599)
Adjustments for:		
Depreciation of plant and equipment	85,294	55,761
Interest expense	47,326	–
Loss on disposal of plant and equipment	1,184	–
Operating cash flows before changes in working capital	(10,458,939)	(2,857,838)
Investments in associates	(52,737,294)	(10,971,241)
Other financial assets	–	(7,837,464)
Trade and other receivables	(3,869)	(794)
Other assets	(40,025)	12,282
Trade and other payables	7,493,109	154,489
Net cash flows from operations	(55,747,018)	(21,500,566)
Income tax paid	(11)	(28)
Net cash flows used in operating activities	(55,747,029)	(21,500,594)
Cash flows from investing activity		
Purchase of plant and equipment	(172,059)	(8,753)
Net cash flows used in investing activity	(172,059)	(8,753)
Cash flows from financing activities		
Issue of shares	56,845,000	21,950,000
Amounts due to parent company	3,435,275	–
Interest paid	(47,326)	–
Net cash flows from financing activities	60,232,949	21,950,000
Net increase in cash and cash equivalents	4,313,861	440,653
Cash and cash equivalents, beginning balance	729,175	288,522
Cash and cash equivalents, ending balance (Note 15)	5,043,036	729,175

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

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in United States dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activity of the company is that of investment holding.

The registered office is 163 Penang Road, #04-04 Winsland House II, Singapore 238463. The company is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of presentation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make 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 reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Dividend income

Dividend from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation currency is the functional currency.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current period and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax (cont'd)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold improvements	–	33.3%
Plant and equipment	–	33.3%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases (cont'd)

The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

The equity accounted financial statements have not been presented as the reporting entity is a wholly owned subsidiary. The address of the parent company presenting the group financial statements is: Verlinvest SA, Place Eugène Flagey 18, 1050 Brussels, Belgium.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)

At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets (cont'd):

3. Financial asset that is an equity investment measured at FVOTCI: On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.

4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimis the use of unobservable inputs (eg by use of the market comparable approach that refelcts recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/ liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short- term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non- current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Determination of functional currency:
Judgement is required to determine the functional currency of the reporting entity. Management considers the economic environment in which the reporting entity operates and factors such as the currency that mainly influences sales prices for goods and services; the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services; and the currency that mainly influences labour, material and other costs of providing goods or services. It also considers other relevant factors that may also provide evidence of an entity's functional currency.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Fair value of unquoted investments:
If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. The carrying amount is disclosed in the Note 12.

Measurement of impairment of associate:
Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects.

3. Related party relationships and transactions

SFRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group:

Name	Relationship	Country of incorporation
Verlinvest Group S.A.	Ultimate parent company	Belgium
Verlinvest SA	Parent company	Belgium

Related companies in these financial statements include the members of the above group of companies. Associates also include those that are associates of members of the above group.

The company's current liabilities are more than the current assets. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. In addition, the notes to the financial statements include the objectives, policies and processes for managing capital; financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk. The company has considerable financial resources together with some satisfactory arrangements with parent company. As a consequence, the directors believe that the company is well placed to manage its business risks. The company has adequate resources to continue in operational existence for the foreseeable future.

3B. Related party transactions:

The transactions were not significant.

3. Related party relationships and transactions (cont'd)

3C. Key management compensation

	2018 US$	2017 US$
Salaries and other short-term employee benefit	5,564,196	638,935

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2018 US$	2017 US$
Remuneration of directors of the company	5,526,515	626,942
Fees to directors of the company	37,681	11,993

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Loan from parent company	
	2018 US$	2017 US$
Balance at beginning of the year	11,818	–
Amounts paid out and settlement of liabilities on behalf of the company	(11,818)	–
Amounts paid in and settlement of liabilities on behalf of the company	3,435,275	11,818
Balance at end of the year (Note 17)	3,435,275	11,818

Loan from parent company is at 1.5% per year. There is no fixed term for repayment. The carrying amount is a reasonable approximation of fair value (level 3).

4. Dividend income

	2018 US$	2017 US$
Dividend income from investments in associates	252,924	–
Dividend income from investments at FVTOCI	–	11,351

5. Other gains and (other losses)

	2018 US$	2017 US$
Foreign exchange losses	(63,518)	(1,598)
Loss on disposal of plant and equipment	(1,184)	–
Other income	82,037	361
Net	(17,335)	(1,237)

Presented in profit or loss as:

	2018 US$	2017 US$
Other gains	82,037	361
Other losses	(64,702)	(1,598)
Net	(17,335)	(1,237)

6. Other expenses

The major components include the following:

	2018 US$	2017 US$
Office expenses	73,220	88,241
Professional fees	403,603	276,583
Rental expenses	136,679	115,921
Telecommunication expenses	83,743	67,141
Travel expenses	489,892	474,711

7. Employee benefits expense

	2018 US$	2017 US$
Short term employee benefits expense	9,275,805	1,614,176
Contributions to defined contribution plan	30,213	9,805
Director's fees	37,681	11,993
Other benefits	180,910	189,368
Total employee benefits expense	9,524,609	1,825,342

8. Finance costs

	2018 US$	2017 US$
Interest expense	47,326	–

9. Income tax

9A. Components of tax expense recognised in profit or loss include:

	2018 US$	2017 US$
Current tax expense	–	–
Under adjustments in respect of prior periods	11	26
Total income tax expense	11	26

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2017: 17%) to loss before income tax as a result of the following differences:

	2018 US$	2017 US$
Loss before tax	(10,592,743)	(2,913,599)
Income tax benefit at the above rate	(1,800,766)	(495,312)
Non-deductible expenses	1,800,766	495,312
Under adjustment to tax in respect of prior periods	11	26
Total income tax expense	11	26

There are no income tax consequences of dividends to owner of the company.

10. Plant and equipment

	Leasehold improvements US$	Plant and equipment US$	Total US$
Cost:			
At 1 January 2017	131,739	33,486	165,225
Additions	–	8,753	8,753
At 31 December 2017	131,739	42,239	173,978
Additions	159,251	12,808	172,059
Disposals	–	(1,292)	(1,292)
At 31 December 2018	290,990	53,755	344,745
Accumulated depreciation:			
At 1 January 2017	60,949	14,793	75,742
Depreciation for the year	42,990	12,771	55,761
At 31 December 2017	103,939	27,564	131,503
Depreciation for the year	74,662	10,632	85,294
Disposals	–	(108)	(108)
At 31 December 2018	178,601	38,088	216,689
Net book value:			
At 1 January 2017	70,790	18,693	89,483
At 31 December 2017	27,800	14,675	42,475
At 31 December 2018	112,389	15,667	128,056

Depreciation is included in other expenses.

11. Investments in associates

	2018 US$	2017 US$
Movements in carrying value:		
Balance at beginning of the year	14,460,608	3,489,367
Additions	52,795,724	10,971,241
Transfer from Investments at FVTOCI (Note 12A)	15,644,629	–
Foreign exchange adjustment	(58,430)	–
Total at end of the year	82,842,531	14,460,608

On 15 February 2018, the company acquired additional interest in Veeba Food Services Private Limited for a consideration of US$9,000,378.

On 28 March 2018, the company acquired additional interest in Sula Vineyards Private Limited for a consideration of US$41,152,845.

On 29 June 2018, the company acquired additional interest in Drums Food International Private Limited for a consideration of US$1,759,791.

On 31 October 2018, the company acquired additional interest in Veeba Food Services Private Limited for a consideration of US$882,710.

11. Investments in associates (cont'd)

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations, principal activities and independent auditor	Cost of investment	Percentage of equity held	
	US$	2018 %	2017 %
Drums Food International Private Limited [(1)] India Manufacturing of Greek yoghurt and Greek yoghurt products (B.B. Shah & Company)	16,161,968	48.38	42.76
Veeba Food Services Private Limited [(1)] India Manufacturing, marketing and formulating ambient sauces, emulsions, dressings and other condiments (S.R. Batliboi & Co. LLP)	21,671,954	22.36	16.89
Sula Vineyards Private Limited [(1)] India Manufacturer, importer and distributor of wine (M/s. Haribhakti & Co. LLP)	45,008,609	23.51	2.52

[(1)] Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. The name is indicated above.

The equity accounted financial statements have not been presented as the reporting entity is a wholly owned subsidiary. The address of the parent company presenting the group financial statements is: Verlinvest SA, Place Eugène Flagey 18, 1050 Brussels, Belgium.

12. Other financial assets

	2018 US$	2017 US$
Balance is made up of:		
Investments at fair value through other comprehensive income ("FVTOCI")	–	15,644,629
Total at end of the year	–	15,644,629

As explained in Note 2A, the company has adopted SFRS 109, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with transitional provisions, the comparative figures have been restated (see Notes 2A and 23).

12. Other financial assets (cont'd)

12A. Movement in other financial assets

Investments at FVTOCI

	2018 US$	2017 US$
Movements during the year:		
At beginning of the year	15,644,629	7,807,165
Additions	–	7,837,464
Foreign exchange adjustment losses	–	–
Transfers to Investments in associates (Note 11)	(15,644,629)	–
Total at end of the year	–	15,644,629

12B. Disclosures relating to Investments at FVTOCI

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

	Level	2018 US$	2017 US$	2018 % of ownership	2017 % of ownership
Unquoted equity shares					
Food and beverage industry:					
India					
Veeba Food Services Private Limited	3	–	1,418,069	–	2.18
Sula Vineyards Private Limited	3	–	3,855,764	–	2.52
Total unquoted equity shares		–	5,273,833		
Unquoted compulsorily convertible preference shares					
Food and beverage industry:					
India					
Veeba Food Services Private Limited	3	–	10,370,796	–	14.71
Total unquoted compulsorily convertible preference shares		–	10,370,796		
Total Investments at FVTOCI		–	15,644,629		

The fair value of these instruments was deemed to be not reliably measurable as the probabilities of the various estimates could not be reasonably assessed as used in estimating fair values. Consequently these were stated at initial acquisition cost and the value was used as a practical expedient for fair value at Level 3.

12. Other financial assets (cont'd)

12B. Disclosures relating to Investments at FVTOCI (cont'd)

	Level	2018 US$	2017 US$	2018 % of total portfolio	2017 % of total portfolio
Sector concentration					
Unquoted equity securities and unquoted compulsorily convertible preference shares					
Food and beverage industry	3	–	15,644,629	–	100
Total unquoted equity shares		–	15,644,629	–	100
Country concentration					
Unquoted equity securities and unquoted compulsorily convertible preference shares					
India	3	–	15,644,629	–	100
Total unquoted equity shares		–	15,644,629	–	100

The investment objective is achieve capital appreciation by investing primarily in consumer sector including food and beverage, retail hospitality, fashion and e-commerce.

12C. Fair value measurements (Level 3) recognised in the statement of financial position

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the significant observable inputs used in the fair value measurements (apart for those acquired during the reporting year) are as follows:

Level 3:

Unquoted equity securities:
Fair Value: NIL (2017: US$15,644,629)

Valuation technique: In 2016, the fair value was based on initial acquisition costs as these were newly acquired during the reporting year. The fair value of unquoted equity shares approximated the cost.

No interrelationships between significant unobservable inputs used in the valuation of Level 3 equity instruments have been identified, as such there is no sensitivity analysis done.

13. Trade and other receivables

	2018 US$	2017 US$
Other receivables:		
Outside parties	4,693	824
Total trade and other receivables	4,693	824

14. Other assets

	2018 US$	2017 US$
Deposits	38,923	28,082
Prepayments	33,414	4,230
	72,337	32,312

15. Cash and cash equivalents

	2018 US$	2017 US$
Not restricted in use	5,043,036	729,175
Cash at end of the year	5,043,036	729,175

The interest earning balances are not significant.

There are no reconciliation amounts for the non-cash changes in liabilities arising from financing activities.

16. Share capital

	Number of shares issued	Share Capital US$
Ordinary shares of no par value:		
Balance at 1 January 2017	14,570,000	14,570,000
Issue of shares at U$1 each	21,950,000	21,950,000
Balance at end of the year 31 December 2017	36,520,000	36,520,000
Issue of shares at U$1 each	56,845,000	56,845,000
Balance at end of the year 31 December 2018	93,365,000	93,365,000

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

During the reporting year, 56,845,000 (2017: 21,950,000) shares of no par value were issued for cash at US$1 each.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets.

16. Share capital (cont'd)

Capital management (cont'd):

In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The company has no external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

17. Trade and other payables

	2018 US$	2017 US$
Trade payables:		
Outside parties and accrued liabilities	8,256,798	751,871
Director (Note 3)	–	11,818
Trade payables – subtotal	8,256,798	763,689
Other payables:		
Loan from parent company (Note 3)	3,435,275	–
Other payables – subtotal	3,435,275	–
Total trade and other payables	11,692,073	763,689

18. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2018 US$	2017 US$
Not later than one year	162,899	69,568
Later than one year and not later than five years	325,798	–
Rental expenses for the year	136,679	115,921

Operating lease payments are for rentals payable by the company for its office premises. The lease rental terms are negotiated for average of 3 years and the rentals are not subject to an escalation clause.

19. Financial instruments: information on financial risks

19A. Classification of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2018 US$	2017 US$
Financial assets:		
Financial asset at FVTOCI	–	15,644,629
Financial assets at amortised cost	5,047,729	729,999
At end of the year	5,047,729	16,374,628
Financial liability:		
Financial liabilities at amortised cost	11,692,073	763,689
At end of the year	11,692,073	763,689

Further quantitative disclosures are included throughout these financial statements.

The company's financial assets that were classified as "cash and cash equivalents", "loans and receivables" and "available-for-sale investment" under FRS 39 in previous financial year have been classified as "financial assets at amortised cost" and "fair value through other comprehensive income" for the current financial year under SFRS 109.

19B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents.

The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

19C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

19. Financial instruments: information on financial risks (cont'd)

19D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual debtors and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Note 15 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard financial instruments. There was no identified impairment loss.

19E. Liquidity risk – financial liabilities maturity analysis

There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2017: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

19F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant.

19G. Foreign currency risks

Analysis of amounts denominated in non-functional currency:

	Singapore dollars	Euro	Total
2018	US$	US$	US$
Financial assets:			
Cash and cash equivalents	4,545,473	18,203	4,563,676
Trade and other receivables	4,693	–	4,693
Total financial assets	4,550,166	18,203	4,568,369
Financial liability:			
Trade and other payables	1,082,694	7,157,557	8,240,251
Total financial liability	1,082,694	7,157,557	8,240,251
Net financial assets (liabilities) at end of year	3,467,472	(7,139,354)	(3,671,882)

19. Financial instruments: information on financial risks (cont'd)

19G. Foreign currency risks (cont'd)

Analysis of amounts denominated in non-functional currency (cont'd):

2017	Singapore dollars US$	Euro US$	Indian Rupee US$	Total US$
Financial assets:				
Other financial assets	–	–	15,644,629	15,644,629
Cash and cash equivalents	476,191	29,072	–	505,263
Trade and other receivables	824	–	–	824
Total financial assets	477,015	29,072	15,644,629	16,150,716
Financial liability:				
Trade and other payables	751,696	11,993	–	763,689
Total financial liability	751,696	11,993	–	763,689
Net financial (liabilities) assets at end of year	(274,681)	17,079	15,644,629	15,387,027

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	2018 US$	2017 US$
A hypothetical 10% strengthening in the exchange rate of the functional currency US$ against the S$ with all other variables held constant would have a (adverse) favourable effect on pre-tax loss of	(346,747)	27,468
A hypothetical 10% strengthening in the exchange rate of the functional currency US$ against the EUR with all other variables held constant would have an favourable (adverse) effect on pre-tax loss of	713,935	(1,708)

20. Events after the end of the reporting year

On 14 January 2019, the company issued 13,200,000 shares for US$1 per share to its parent company, Verlinvest SA, for a total cash consideration of US$13,200,000.

On 18 January 2019, the company subscribed for 376,203 Series C Compulsorily Convertible Preference Shares ("CCPS") for a total consideration of USD14,000,000 in Drums Food International Private Limited.

21. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

21. Changes and adoption of financial reporting standards (cont'd)

FRS No.	Title
SFRS 28	Amendments to, Investments in Associates and Joint Venture – Sale or Contribution of Assets
SFRS 102	Amendments to, Classification and Measurement of Share- based Payment Transactions
SFRS 109	Financial Instruments
SFRS 115	Revenue from Contracts with Customers Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers

22. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

FRS No.	Title	Effective date for periods beginning on or after
SFRS 28	Amendments: Long term Interests in Associates and Joint Ventures	1 Jan 2019
SFRS 116	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other Standards)	1 Jan 2019
INT SFRS 123	Uncertainty over Income Tax Treatments	1 Jan 2019
SFRS 12	Improvements (2017) – Amendments: Income Taxes	1 Jan 2019
SFRS 23	Improvements (2017) – Amendments: Borrowing Costs	1 Jan 2019
SFRS 111	Improvements (2017) – Amendments: Joint Arrangements	1 Jan 2019

Leases:
The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee , as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee almost all leases will be brought onto the statements of financial position under a single model (except leases of 12 months and leases of low- value assets), eliminating the distinction between operating and finance leases.

For the entity's non- cancellable operating lease commitments as at 31 December 2018 shown in Note 18, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases.

22. New or amended standards in issue but not yet effective (cont'd)

Leases (cont'd):

Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short- term leases) which might have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed.

23. Reclassifications and comparative figures

As explained in Note 2A, the company has adopted SFRS 109, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions, the comparative figures have been restated.

#A The company elected to present in other comprehensive income changes in the fair value of all its quoted equity units previously classified as available-for-sale ("AFS"). There is no impact to the company's retained earnings or reserves due to the classification and measurement of financial instruments as at 1 January 2018. These accounting policies have no impact on the measurement of the assets (see Notes 2A and 12).

The impact of these changes on the company's equity is as follows:

	Note	As per FRS 39	As per FRS 109	Difference
		US$	US$	US$
2017				
Statement of financial position:				
Investments AFS at FVTOCI	#A	15,644,629	–	(15,644,629)
Investments at FVTOCI	#A	–	15,644,629	15,644,629

VERLINVEST ASIA PTE. LTD.

The Accompanying Supplementary Statement of Profit or Loss and Other Comprehensive Income Has Been Prepared for Management Purposes Only and Does Not Form Part of the Audited Financial Statements

Supplementary Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2018

	2018 US$	2017 US$
Dividend income	252,924	11,351
Other gains	82,037	361
Other expenses	(1,291,067)	(1,098,371)
Employee benefits expense	(9,524,609)	(1,825,342)
Other losses	(64,702)	(1,598)
Finance costs	(47,326)	–
Loss before tax	(10,592,743)	(2,913,599)
Income tax expense	(11)	(26)
Total comprehensive loss	(10,592,754)	(2,913,625)

Supplementary Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2018

Other expenses	2018 US$	2017 US$
Depreciation	85,294	55,761
Audit fees	9,525	14,495
Professional fees	403,603	276,583
Rental expenses	136,679	115,921
Office expenses	73,220	88,241
Telecommunication expenses	83,743	67,141
Travel expenses	489,892	474,711
Utilities	1,871	1,376
Bank charges	4,527	4,142
Others	2,713	–
	1,291,067	1,098,371

Other gains and (other losses)

Foreign exchange losses	(63,518)	(1,598)
Loss on disposal	(1,184)	–
Other income	82,037	361
Net	(17,335)	(1,237)
Presented in profit or loss as:		
Other gains	82,037	361
Other losses	(64,702)	(1,598)
Net	(17,335)	(1,237)

Employee benefits expense

Short term employee benefits expense	9,275,805	1,614,176
Contributions to defined contribution plan	30,213	9,805
Director's fees	37,681	11,993
Other benefits	180,910	189,368
Total employee benefits expense	9,524,609	1,825,342

Finance costs

Interest expense	47,326	–