

AAT GLOBAL LIMITED

FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

*Sky Best CPA Limited*

*Certified Public Accountants (Practising)*

天佳會計師事務所有限公司

**AAT GLOBAL LIMITED**

**FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

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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 March 31, 2018.

#### **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	resigned on 06.11.2017
Malkan Bijal	appointed on 30.11.2017

#### **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 period under section 359(1) of the Hong Kong Companies Ordinance. Accordingly, the Company is exempted from preparing a business review for this financial year.

#### **Directors' interests**

At no time during the financial year or at the end of the financial year was the Company, its parent company or a fellow subsidiary a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

In the opinion of the Directors, no directors or shadow directors, if any, had material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company, its parent company or a fellow subsidiary in the financial year or subsisted at any time in the financial year.

**AAT GLOBAL LIMITED**  
**DIRECTORS' REPORT**

(Con't)


**Recommended dividends**

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

**Approval of directors' report**

This report was approved by the Directors on 20 MAY 2013

On behalf of the Directors



.....

Director

Hong Kong



# 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)

### Opinion

We have audited the financial statements of AAT Global Limited ( " the Company " ) set out on pages 6 to 21, which comprise the statement of financial position as at 31st March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ( " HKFRSs " ) 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 ( " HKSAs " ) 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 and detailed income statement 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 HKFRSs for PE issued by 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.





*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)

(Cont.)

**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 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 HKSAs 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 HKSAs, 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 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)

(Cont.)

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

28 MAY 2019

AAI GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2018

		2018	2017
	Note	HK\$	HK\$
Revenue	(4)	428,125,859	237,661,254
Cost of Sales		<u>(424,734,584)</u>	<u>(229,912,526)</u>
<b>Gross Profit</b>		3,391,275	7,748,728
Other Revenue and Net Gains	(4)	7,131,119	1,606,074
<b>Operating Expenses</b>			
Administrative Expenses		(2,298,277)	(5,700,525)
Financial Expenses		(3,566,293)	(3,296,046)
Other Operating Expenses		<u>-</u>	<u>-</u>
<b>Profit before tax</b>	(5)	4,657,824	358,231
Income Tax Expenses	(7)	<u>-</u>	<u>-</u>
<b>Profit for the Year</b>		4,657,824	358,231
Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the Year</b>		<u><u>4,657,824</u></u>	<u><u>358,231</u></u>



**AAT GLOBAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**

	Note	2018 HK\$	2017 HK\$
<b>Non-Current Assets</b>			
Investment in Subsidiary	(11)	116,968,308	109,169,128
<b>Current Assets</b>			
Trade and Other Receivable	(10)	44,277,100	40,280,014
Receivable from Holding Company	(13)	509,068	509,068
Current Tax Assets		-	-
Cash and Cash Equivalents		2,299,745	210,629
		47,085,913	40,999,711
<b>Current Liabilities</b>			
Bank Loan	(9)	-	23,313,000
Trade and Other Payable	(12)	24,725,474	18,686,037
Current Tax Liabilities		-	-
		24,725,474	41,999,037
<b>Net Current Assets / (Liabilities)</b>		22,360,439	(999,327)
<b>Non-Current Liabilities</b>			
Bank Loan - Long Term Portion	(9)	-	-
Amount due to Holding Company	(13)	69,318,705	42,817,583
		69,318,705	42,817,583
<b>Total Assets</b>		70,010,042	65,352,218
<b>Equity</b>			
Share Capital	(8)	70,783,680	70,783,680
Retained Earnings		(773,638)	(5,431,462)
		70,010,042	65,352,218

On behalf of the Directors

*Bijal C. Manikam*  
.....  
Director

*M. Agard*  
.....  
Director

**AAT GLOBAL LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2018**

	2018	2017
	HK\$	HK\$
<b>Cash flows from operating activities</b>		
Profit before taxation	4,657,824	358,231
Depreciation	-	-
Interest income	(1,833,235)	(1,606,074)
Interest expenses	3,540,966	3,220,399
	<u>6,365,555</u>	<u>1,972,556</u>
Changes in trade and other receivable	(3,997,086)	(1,112,209)
Changes in trade and other payable	6,039,436	4,569,123
Cash generated from operation	8,407,905	5,429,470
Interest paid	(3,540,966)	(3,220,399)
Income tax paid	-	-
<b>Net Cash from operating activities</b>	<u>4,866,939</u>	<u>7,209,071</u>
<b>Cash flows from investing activities</b>		
Change in loan to subsidiary	(7,799,180)	1,947,626
Interest received	1,833,235	1,606,074
<b>Net Cash (used in) / from investing activities</b>	<u>(5,965,945)</u>	<u>3,553,700</u>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(23,313,000)	(10,575,277)
Change in advance from ultimate holding company	-	(6,418,876)
Change in received from / amount due to holding Company (net)	26,501,122	2,010,134
<b>Net Cash from / (used in) financing activities</b>	<u>3,188,122</u>	<u>(14,984,019)</u>
<b>Net changes in cash and cash equivalents</b>	2,089,116	(9,221,248)
Cash and cash equivalents at beginning of Year	210,629	2,431,877
<b>Cash and cash equivalents at end of Year</b>	<u>2,299,745</u>	<u>210,629</u>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances	2,299,745	210,629
Time deposits having maturity of not more than three months at acquisition	-	-
Bank overdrafts	-	-
Cash and cash equivalents reported in statement of cash flows and in statement of financial position	<u>2,299,745</u>	<u>210,629</u>

**AAT GLOBAL LIMITED****STATEMENT OF CHANGE IN EQUITY****YEAR ENDED MARCH 31, 2018**

	2018	2017
	<u>HK\$</u>	<u>HK\$</u>
<b>Share Capital</b>		
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>
<b>Retained Earnings</b>		
Balance at beginning of year	(5,431,462)	(5,789,693)
Profit for the year	<u>4,657,824</u>	<u>358,231</u>
Balance at end of year	<u>(773,638)</u>	<u>(5,431,462)</u>
<b>Total Equity</b>	<u><u>70,010,042</u></u>	<u><u>65,352,218</u></u>

**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

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**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
HKFRS	Hong Kong Financial Reporting Standard issued by HKICPA
Cash equivalents	short-term, highly liquid investments these 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 Suite 1101, 11/F., Supreme House, 2A Hart Avenue, Tsim Sha Tsui, Hong Kong.

The Company's principal activities was 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.

**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

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**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.

**(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.

Sales 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

**(b) Leases**

Leases that transfer substantially all the rewards and risks incidental to ownership of leased assets to the lessee are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs of the lease are added to the amount recognised as an asset. The corresponding rental obligations, net of finance charges, are recognised as liabilities. Each lease payment is apportioned between the finance charges and the reduction of the outstanding liabilities so as to produce a constant periodic rate of interest on the remaining balance of the liabilities. Financial charges are recognised in profit or loss and allocated to each period over the lease term using effective interest method. Assets held under finance lease are included in property, plant and equipment and depreciated over the shorter of the estimated useful life of the assets or the lease term using straight-line method.

Leases where substantially all the risks and rewards incidental to ownership of the leased assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to profit or loss on straight-line basis over the lease term. Incentives such as rent-free period or subsidy on decoration, if any, are recognised as a reduction of rental expenses over the lease term on straight-line basis.

**(c) 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 period in which they are incurred.

**(d) 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.



**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**(e) 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 it 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 period 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.

**(f) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

**(g) 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.

**(h) 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.

**(i) 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.

**(j) 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.

**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

**(k) 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.

**(l) 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

	2018	2017
	<u>HK\$</u>	<u>HK\$</u>
<b>Included in turnover</b>		
Sales	<u>428,125,859</u>	<u>237,661,254</u>
	<u>428,125,859</u>	<u>237,661,254</u>
<b>Included in other revenue and other net gains</b>		
Bank Interest Income	1,833,235	1,606,074
Sundry Income	462,516	-
Gain on Exchange Difference	<u>4,835,368</u>	<u>-</u>
	<u>7,131,119</u>	<u>1,606,074</u>
	<u>435,256,978</u>	<u>239,267,328</u>

AAT GLOBAL LIMITED  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2018

5. PROFIT BEFORE TAX

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

	2018 HK\$	2017 HK\$
Cost of inventories recognised as expenses		
Employee benefits :-	408,292,325	224,497,821
Expenses for defined contribution scheme		
Exchange (Gain) /loss, net		
Operating lease rental	(4,835,371)	4,890,595

6. 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 follow

	2018 HK\$	2017 HK\$
Auditor's Remuneration		
Auditor's Expenses	65,250	25,000
	65,250	25,000

INCOME TAX EXPENSES

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.

AAT GLOBAL LIMITED  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2018

8. SHARE CAPITAL

	2018		2017	
	<u>No. of shares</u>	<u>HK\$</u>	<u>No. of shares</u>	<u>HK\$</u>
<b>Issued and fully paid</b>				
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>

9. FINANCIAL INSTRUMENTS

	2018	2017
	<u>HK\$</u>	<u>HK\$</u>
<b>Bank Borrowings</b>		
Repayable within one year	-	23,313,000
Repayable beyond one year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>23,313,000</u>

10. TRADE AND OTHER RECEIVABLES

	Related parties	Third parties	Total
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
<b>2018</b>			
Trade Receivable	-	-	-
Advance Paid to Suppliers	-	12,402,072	12,402,072
Advance Paid to Subsidiary	<u>31,875,028</u>	<u>-</u>	<u>31,875,028</u>
	<u>31,875,028</u>	<u>12,402,072</u>	<u>44,277,100</u>

**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

10. TRADE AND OTHER RECEIVABLES (Con't)

	Related parties	Third parties	Total
	HK\$	HK\$	HK\$
<b>2017</b>			
Trade 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>

11. INVESTMENT IN SUBSIDIARY

The detail of the subsidiary is as follow :

	2018	2017
	HK\$	HK\$
Unlisted Equity Securities, at cost	54,027,238	54,027,238
Loan to Subsidiary	62,941,070	55,141,890
As at the Year Ended	<u>116,968,308</u>	<u>109,169,128</u>
Advance to the Subsidiary	31,875,028	31,431,388
	<u>148,843,336</u>	<u>140,600,516</u>

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

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

The amount due from a subsidiary include HK\$62,941,070 (2017 Mar : 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.

The remaining of HK\$31,875,028 (2017 Mar : HK\$31,431,388) towards advance which is interest free.



**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

12. TRADE AND OTHER PAYABLE

	Related parties	Third parties	Total
	HK\$	HK\$	HK\$
<b>2018</b>			
Trade Payable	-	14,860,514	14,860,514
Accrued Expenses	-	529,153	529,153
Interest Payable	-	-	-
Advance Received from Ultimate Holding Company	9,335,807	-	9,335,807
Guarantee fee payable to ultimate holding company	-	-	-
	<u>9,335,807</u>	<u>15,389,667</u>	<u>24,725,474</u>
Current Liabilities	<u>(9,335,807)</u>	<u>(15,389,667)</u>	<u>(24,725,474)</u>
Non-current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
	Related parties	Third parties	Total
	HK\$	HK\$	HK\$
<b>2017</b>			
Trade Payable	-	13,600,229	13,600,229
Accrued Expenses	-	25,000	25,000
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
	<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  
 YEAR ENDED MARCH 31, 2018

13. RELATED PARTY DISCLOSURES	2018	2017
	HK\$	HK\$
<b>Related Companies</b>		
Goods sold to ultimate holding company	427,931,971	237,661,206
Guarantee / arrangement fee paid to ultimate holding company	87,816	386,084
Interest paid to holding company	3,090,517	2,010,134
Goods purchased from subsidiary	25,304,310	33,266,043
Interest received from subsidiary	1,833,235	1,606,074
Service Fee paid to Subsidiary	436,761	-
<b>Related parties transactions</b>		
Movement of holdings company current account	26,501,122	2,010,134
<b>Amounts due from related parties</b>		
Subsidiary Company	94,816,098	86,573,278
Ultimate Holdings Company	509,068	509,068
	<u>95,325,167</u>	<u>87,082,346</u>

Name of Borrower	2018	2017	Greatest outstanding	Provision
	HK\$	HK\$	HK\$	HK\$
Equal Commodore Private Limited	509,068	509,068	509,068	-
Shandong Dawn Himada Chemical Industry Limited	-	-	-	-
	<u>509,068</u>	<u>509,068</u>		

**AAT GLOBAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**

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13. RELATED PARTY DISCLOSURES (Con't)

	2018	2017
<b>Amounts due to related parties</b>	<u>HK\$</u>	<u>HK\$</u>
Holdings Company	69,318,705	42,817,583
Ultimate Holdings Company	<u>9,335,807</u>	<u>4,862,283</u>
	<u>78,654,512</u>	<u>47,679,866</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.

14. IMMEDIATE PARENT / ULTIMATE HOLDING COMPANY

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

15. APPROVAL OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the Directors on 2018-03-29.

**AAT GLOBAL LIMITED**  
**OPERATING EXPENSES AND SEPARATELY DISCLOSED ITEMS**  
**YEAR ENDED MARCH 31, 2018**

( for management purposes only )

	2018	2017
	HK\$	HK\$
<b>Administrative Expenses</b>		
Audit Fee	65,250	25,000
Commission Paid	307,812	-
Exchange Loss (net)	-	4,890,595
Guarantee Fees	87,816	386,084
Late Delivery Charges	-	336,383
Legal & Professional Fee	1,323,550	580
Printing and Stationery	1,030	-
Service Tax Expenses	19,409	-
Service Fee	436,761	-
Sales Promotion Expenses	-	61,883
Travelling Expenses - Overseas	56,649	-
	<u>2,298,277</u>	<u>5,700,525</u>
<b>Financial Expenses</b>		
Bank Charges	25,327	75,647
Interest Paid	3,540,966	3,220,399
Bank Loan Interest	-	-
	<u>3,566,293</u>	<u>3,296,046</u>