

AAT GLOBAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

AAT GLOBAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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(Expressed in Hong Kong Dollars)

AAT GLOBAL LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements of the AAT Global Limited for the financial year ended 31st March 2019.

Directors

The names of person 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 Kumar

Malkan Bijal

Dey Santimoy (appointed on 12 April 2019)

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 period 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' review

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 of subsisted at any time in the financial year.

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 27 MAY 2019

On behalf of the Directors



Director

Hong Kong

27 MAY 2019



Sky Best CPA Limited

Certified Public Accountants (Practising)

天佳會計師事務所有限公司

INDEPENDENT AUDITOR'S 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 4 to 16, which comprise the statement of financial position as at 31st March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities (" HKFRS for Private Entities ") issued by Hong Kong 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 director's report set out on page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the Financial Statements

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

In preparing the financial statements, the director 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 the directors either intend 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AAT GLOBAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Cont'd)

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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sky Best CPA Limited

Certified Public Accountants (Practising)

JIU Pui Hong

Practising number (P02259)

Hong Kong

27 MAY 2019

AAT GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2019


	Note	2019 HK\$	2018 HK\$
Revenue	(4)	677,337,170	428,125,859
Cost of Sales		(675,536,055)	(424,734,584)
Gross Profit		1,801,115	3,391,275
Other Revenue and Net Gains	(4)	1,765,663	7,131,119
Operating Expenses			
Administrative Expenses		(6,136,649)	(2,298,277)
Financial Expenses		(4,353,186)	(3,566,293)
Profit / (Loss) before tax	(5)	(6,923,057)	4,657,824
Income Tax Expenses	(7)	-	-
Profit / (Loss) for the Year		(6,923,057)	4,657,824
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		(6,923,057)	4,657,824

AAT GLOBAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	2019 HK\$	2018 HK\$
Non-current Assets			
Investment in Subsidiary	(10)	114,648,323	116,968,308
		<u>114,648,323</u>	<u>116,968,308</u>
Current Assets			
Trade and Other Receivable	(9)	93,602,196	44,277,100
Receivable from Holding Company	(12)	509,068	509,068
Cash and Cash Equivalents		2,080,422	2,299,745
		<u>96,191,687</u>	<u>47,085,913</u>
Current Liabilities			
Trade and Other Payable	(11)	74,166,983	24,725,474
Current Tax Liabilities		-	-
		<u>74,166,983</u>	<u>24,725,474</u>
Net Current Assets		<u>22,024,703</u>	<u>22,360,439</u>
Non-current Liabilities			
Amount due to Holding Company	(12)	73,586,041	69,318,705
		<u>73,586,041</u>	<u>69,318,705</u>
Net Assets		<u>63,086,985</u>	<u>70,010,042</u>
Equity			
Share Capital	(8)	70,783,680	70,783,680
Retained Earning		(7,696,695)	(773,638)
		<u>63,086,985</u>	<u>70,010,042</u>

On behalf of Directors


 Director


 Director

AAT GLOBAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	2019 HK\$	2018 HK\$
Cash flows from operating activities		
Profit / (Loss) before taxation	(6,923,057)	4,657,824
Depreciation	-	-
Interest income	(1,765,663)	(1,833,235)
Interest expenses	<u>4,267,336</u>	<u>3,540,966</u>
Change in trade and other receivable	(4,421,384)	6,365,555
Change in trade and other payable	(49,325,096)	(3,997,086)
Cash used in operation activities	<u>49,441,509</u>	<u>6,039,436</u>
Interest paid	(4,304,972)	8,407,905
Income tax paid	(4,267,336)	(3,540,966)
Net Cash used in operating activities	<u>(8,572,308)</u>	<u>4,866,939</u>
Cash flows from investing activities		
Change in loan to subsidiary	2,319,985	(7,799,180)
Interest received	<u>1,765,663</u>	<u>1,833,235</u>
Net Cash (used in)/ from investing activities	<u>4,085,648</u>	<u>(5,965,945)</u>
Cash flows from financing activities		
Change of bank borrowings	-	(23,313,000)
Change in received from / amount due to holding company (net)	<u>4,267,336</u>	<u>26,501,122</u>
Net Cash (used in)/ from financing activities	<u>4,267,336</u>	<u>3,188,122</u>
Net changes in cash and cash equivalents	(219,323)	2,089,116
Cash and cash equivalents at beginning of Year/Period	<u>2,299,745</u>	<u>210,629</u>
Cash and cash equivalents at end of Year/Period	<u>2,080,422</u>	<u>2,299,745</u>
Components of cash and cash equivalents		
Cash and bank balances	<u>2,080,422</u>	<u>2,299,745</u>
Cash and cash equivalents reported in statement of cash flows and in statement of financial position	<u>2,080,422</u>	<u>2,299,745</u>

AAT GLOBAL LIMITED
STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
	<u>HK\$</u>	<u>HK\$</u>
Share Capital		
Balance at beginning of year	70,783,680	70,783,680
Issue of shares	<u>-</u>	<u>-</u>
Balance at end of year	<u>70,783,680</u>	<u>70,783,680</u>
Retained Earnings		
Balance at beginning of year	(773,638)	(5,431,462)
Profit for the year	<u>(6,923,057)</u>	<u>4,657,824</u>
Balance at end of year	<u>(7,696,695)</u>	<u>(773,638)</u>
Total Equity	<u><u>63,086,985</u></u>	<u><u>70,010,042</u></u>

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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 those are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction
Related company	a company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence

(b) Corporate Information

The Company is a company incorporated in Hjong 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 are engaged in trading and investment in subsidiary.

(c) Presentation currency

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$).

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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.

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

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

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

(b) Borrowing Costs

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

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

(c) 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.

(d) Income Tax

Income tax comprises current tax and deferred tax.

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

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

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

AT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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

(d) Income Tax

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.

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

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

(f) 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.

(g) 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.

(h) 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.

AAAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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

(i) **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.

(j) **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.

(k) **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

	2019 HK\$	2018 HK\$
Included in turnover		
Sales	677,337,170	428,125,859
	<u>677,337,170</u>	<u>428,125,859</u>
Included in other revenue and other net gains		
Interest Income	1,765,663	1,833,235
Sundry Income	-	462,516
Gain on Exchange Difference	-	4,835,368
	<u>1,765,663</u>	<u>7,131,119</u>
	<u>679,102,833</u>	<u>435,256,978</u>

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

5. PROFIT BEFORE TAX

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

	2019 HK\$	2018 HK\$
Cost of inventories recognised as expenses	656,678,233	408,292,325
Employee benefits :-		
Expenses for defined contribution scheme	-	-
Exchange (Gain) / loss, net	4,101,803	(4,835,368)
Operating lease rental	-	-

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:

	2019 HK\$	2018 HK\$
Auditor's Remuneration	40,000	65,250
Auditor's Expenses	-	-

7. INCOME TAX EXPENSES

No provision for Hong Kong profits 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.

8. SHARE CAPITAL

	2019		2018	
	No. of shares	HK\$	No. of shares	HK\$
Issued and fully paid				
Ordinary share without par value	70,783,680	70,783,680	70,783,680	70,783,680

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

9. TRADE AND OTHER RECEIVABLE

	Related parties HK\$	Third parties HK\$	Total HK\$
2019			
Trade Receivable	-	-	-
Advance Paid to Suppliers	-	66,269,188	66,269,188
Prepayment	-	25,466	25,466
Advance Paid to Creditor	-	104,669	104,669
Advance Paid to Subsidiary	27,202,873	-	27,202,873
	<u>27,202,873</u>	<u>66,399,323</u>	<u>93,602,196</u>
2018			
Trade Receivable	-	-	-
Advance Paid to Suppliers	-	12,402,072	12,402,072
Prepayment	-	-	-
Advance Paid to Creditor	-	-	-
Advance Paid to Subsidiary	31,875,028	-	31,875,028
	<u>31,875,028</u>	<u>12,402,072</u>	<u>44,277,100</u>

10. INVESTMENT IN SUBSIDIARY

The detail of the subsidiary is as follows :-

	2019 HK\$	2018 HK\$
Unlisted Equity Securities, at cost	54,027,238	54,027,238
Loan to Subsidiary	60,621,085	62,941,070
As at the Year Ended	<u>114,648,323</u>	<u>116,968,308</u>
Advance to the Subsidiary	27,202,873	31,875,028
	<u>141,851,197</u>	<u>148,843,336</u>

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

Company (Subsidiary)	Country of Registration	Class of Shares Held	Percentage Held	Nature of Business
Shandong Dawn Himadri Chemical Industry Limited	PRC	ordinary shares	94%	Chemical Industry Manufacturing

The amount due from a subsidiary include HK\$60,621,085 (2018: HK\$62,941,070) towards loan which is unsecured, bearing interest rate of 3% per annum and is repayable after 3 years from final disbursement.

The remaining of HK\$27,202,873 (2018: HK\$31,875,028) towards advance which is interest free.

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

11. TRADE AND OTHER PAYABLE

	Related parties HK\$	Third parties HK\$	Total HK\$
2019			
Trade Payable	-	13,648,534	13,648,534
Accrued Expenses	-	145,255	145,255
Advance Received from Ultimate Holding Company	<u>60,373,194</u>	-	<u>60,373,194</u>
Current Liabilities	60,373,194	13,793,789	74,166,983
Non-current Liabilities	<u>(60,373,194)</u>	<u>(13,793,789)</u>	<u>(74,166,983)</u>
	-	-	-
	Related parties HK\$	Third parties HK\$	Total HK\$
2018			
Trade Payable	-	14,860,514	14,860,514
Accrued Expenses	-	529,153	529,153
Advance Received from Ultimate Holding Company	<u>9,335,807</u>	-	<u>9,335,807</u>
Current Liabilities	9,335,807	15,389,667	24,725,474
Non-current Liabilities	<u>(9,335,807)</u>	<u>(15,389,667)</u>	<u>(24,725,474)</u>
	-	-	-

12. RELATED PARTY DISCLOSURES

Related Parties Transactions

	2019 HK\$	2018 HK\$
Goods sold to ultimate holding company	677,337,170	427,931,971
Guarantee / arrangement fee paid to ultimate holding company	-	87,816
Interest paid to holding company	4,267,336	3,090,517
Goods purchased from subsidiary	18,228,129	25,304,310
Interest received from subsidiary	1,765,663	1,833,235
Service Fee paid to Subsidiary	<u>419,628</u>	<u>436,761</u>

Amounts due from related parties

	2019 HK\$	2018 HK\$
Subsidiary Company	87,823,959	94,816,098
Holding Company	509,068	509,068
Ultimate Holding Company	-	-
	<u>88,333,027</u>	<u>95,325,166</u>

AAT GLOBAL LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

12. RELATED PARTY DISCLOSURES (CONT'D)

Name of Borrower	2019 HK\$	2018 HK\$	Greatest outstanding HK\$	Provision HK\$
Equal Commodéal Private Limited	509,068	509,068	509,068	-
Shandong Dawn Himadri Chemical Industry Limited	87,823,959	94,816,098	94,816,098	-
Himadri Speciality Chemical Limited	-	-	-	-
	<u>88,333,027</u>	<u>95,325,166</u>	<u>95,325,166</u>	<u>-</u>
Amounts due to related parties			2019 HK\$	2018 HK\$
Holding Company			73,586,041	69,318,705
Ultimate Holding Company			60,373,194	9,335,807
			<u>133,959,235</u>	<u>78,654,512</u>

The amount due to holding company is unsecured bearing interest rate of 3 months Libor + 350 basis point. The Loan is repayable after 6 years from date of first withdrawal in 12 quarterly instalments.

13. CONTINGENT LIABILITIES

The Company has export bills discounting with banks in amounts of USD33,958,541.34 as of March 31, 2019.

14. IMMEDIATE PARENT / ULTIMATE HOLDING COMPANY

At the end of the reporting period, the directors consider the immediate parent company to be "Equal Commodéal Private Limited" incorporated in Kolkata, India and ultimate controlling party of the company to be "Himadri 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 **27 MAY 2019**

AAT GLOBAL LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(for management purposes only)

	2019	2018
	HK\$	HK\$
<u>Revenue</u>		
Sales	677,337,170	428,125,859
	<u>677,337,170</u>	<u>428,125,859</u>
<u>Cost of Sales</u>		
Opening Inventories	-	-
Purchase	656,678,233	408,292,325
Carriage Inward	18,857,822	16,442,259
Closing Inventories	-	-
	<u>675,536,055</u>	<u>424,734,584</u>
Gross Profit	1,801,115	3,391,275
<u>Other Revenue and Net Gain</u>		
Interest Income	1,765,663	1,833,235
Sundry Income	-	462,516
Gain on Exchange Difference	-	4,835,368
	<u>1,765,663</u>	<u>7,131,119</u>
	3,566,778	10,522,394
<u>Operating Expenses and Separately Disclosed Items</u>		
Operating Expenses		
Administrative Expenses	6,136,649	2,298,277
Financial Expenses	4,353,186	3,566,293
Net Profit / (Loss) for the Year	<u>(6,923,057)</u>	<u>4,657,824</u>

AAT GLOBAL LIMITED
OPERATING EXPENSES AND SEPARATELY DISCLOSED ITEMS
FOR THE YEAR ENDED MARCH 31, 2019

(for management purposes only)

	2019 HK\$	2018 HK\$
Administrative Expenses		
Audit Fee	40,000	65,250
Commission Paid	518,259	307,812
Exchange Loss (net)	4,101,803	-
Guarantees Fees	-	87,816
Legal & Professional Fee	990,927	1,323,550
Postage & Telecom	5,242	-
Printing and Stationery	-	1,030
Service Tax Expenses	-	19,409
Service Fee	419,628	436,761
Sundry Expenses	750	-
Travelling Expenses - Overseas	60,040	56,649
	<u>6,136,649</u>	<u>2,298,277</u>
Financial Expenses		
Bank Charges	85,850	25,327
Interest Paid	4,267,336	3,540,966
	<u>4,353,186</u>	<u>3,566,293</u>