

Axiom Cordages Limited
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

徐成基會計師事務所

S. K. CHUI & CO.

Certified Public Accountants

Axiom Cordages Limited
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

| Contents | Pages |
|--|--------------|
| Report of a director | 1 |
| Auditors' report | 2-4 |
| Income statement | 5 |
| Statement of financial position | 6 |
| Statement of changes in equity | 7 |
| Statement of cash flows | 8 |
| Notes to the financial statements | 9-12 |
| Detailed income statement (For management information only) | 13 |

Axiom Cordages Limited

REPORT OF THE DIRECTOR

The director present herewith his annual report and the audited financial statements for the year ended 31st March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. The principal activities of its subsidiaries are set out in note 8 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31st March 2020 are set out in the annexed financial statements.

The director do not recommend the payment of any dividend for the year.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

SHARE ISSUED IN THE YEAR

Details of share capital of the Company are set out in note 10 to the financial statements. There were no movements during the year.

DEBENTURES ISSUED

During the year, the Company did not issue any debenture.

EQUITY-LINKED AGREEMENTS

During the year, the Company entered into no equity-linked agreement.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

Mahalik Bharat Bhaskar
Sharma Vijayakumar Jivrambhai

(Resigned on 17 June 2019)
(Appointed on 17th June 2019)

In accordance with the company's Articles of Association, the director retire and, being eligible, offer himself for re-election.

AUDITORS

The financial statements have been audited by Messrs. S. K. Chui & Co. who retire and being eligible, offer themselves for re-appointment.

On behalf of the Board



Sharma Vijayakumar Jivrambhai
Chairman

Hong Kong, 30th June 2020



S. K. CHUI & CO.

Certified Public Accountants

6th Floor, Mau Lam Commercial Building, 16-18 Mau Lam Street, Jordan, Kowloon, Hong Kong

Tel : (852) 3541 7556 Fax : (852) 3010 8591 E-mail: info@skchuicpa.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF Axiom Cordages Limited (incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Axiom Cordages Limited (the "Company") set out on pages 5 to 12, which comprise the statement of financial position as at 31st March 2020, the income statement and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of 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.

Information other than the financial statement and auditor's report thereon

The director is responsible for the other information. The other information comprises the information included in the director's report, 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 no material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
Axiom Cordages Limited
(incorporated in Hong Kong with limited liability)
(continued)

Responsibilities of director and those charged with governance for the financial statements

The director is responsible for the preparation of financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the director 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for 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 and error, and to issue an auditor's report that includes our opinion. This report is made 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.

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 judgement 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 director.

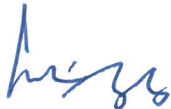
S. K. CHUI & CO.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
Axiom Cordages Limited
(incorporated in Hong Kong with limited liability)
(continued)

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

- Conclude on the appropriateness of the director'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.

We communicate with the director 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.



S. K. Chui & Co.
Certified Public Accountants
Hong Kong, 30th June 2020

Axiom Cordages Limited
INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

| | Notes | 2020 US\$ | 2019 US\$ |
|-------------------------|-------|-----------------------|------------------------|
| REVENUE | 4 | 268 | 244 |
| ADMINISTRATIVE EXPENSES | | <u>(2,791)</u> | <u>(16,721)</u> |
| PROFIT FROM OPERATIONS | 6 | (2,523) | (16,477) |
| FINANCE COSTS | 5 | <u>(5,390)</u> | <u>(3,317)</u> |
| PROFIT BEFORE TAXATION | | (7,913) | (19,794) |
| TAXATION | 7 | <u>-</u> | <u>-</u> |
| NET PROFIT FOR THE YEAR | | <u><u>(7,913)</u></u> | <u><u>(19,794)</u></u> |

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

Axiom Cordages Limited
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2020

| | Notes | 2020 US\$ | 2019 US\$ |
|--|-------|-------------------|-------------------|
| NON-CURRENT ASSETS | | | |
| Interests in a subsidiary | 8 | <u>16,750,000</u> | <u>13,525,000</u> |
| | | <u>16,750,000</u> | <u>13,525,000</u> |
| CURRENT ASSETS | | | |
| Amount due from ultimate holding company | 9 | 10,000 | 10,000 |
| Cash and bank balances | | <u>332,353</u> | <u>65,064</u> |
| | | <u>342,353</u> | <u>75,064</u> |
| CURRENT LIABILITIES | | | |
| Accrued charges | | <u>722</u> | <u>520</u> |
| | | <u>722</u> | <u>520</u> |
| NET ASSETS | | <u>17,091,631</u> | <u>13,599,544</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 10 | 17,123,000 | 13,623,000 |
| (Accumulated losses) | | <u>(31,369)</u> | <u>(23,456)</u> |
| TOTAL EQUITY | | <u>17,091,631</u> | <u>13,599,544</u> |

Approved by the sole director on 30th June 2020



 Sharma Vijayakumar Jivrambhai
 Director

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

Axiom Cordages Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2020

| | Note | <u>Share capital</u> US\$ | <u>Retained profits</u> US\$ | <u>Total</u> US\$ |
|----------------------------|------|----------------------------------|-------------------------------------|----------------------|
| BALANCE AT 31ST MARCH 2018 | | 123,000 | (3,662) | 119,338 |
| Share capital issued | | 13,500,000 | - | 13,500,000 |
| Net (loss) for the year | | <u>-</u> | <u>(19,794)</u> | <u>(19,794)</u> |
| BALANCE AT 31ST MARCH 2019 | | 13,623,000 | (23,456) | 13,599,544 |
| Share capital issued | 10 | 3,500,000 | - | 3,500,000 |
| Net (loss) for the year | | <u>-</u> | <u>(7,913)</u> | <u>(7,913)</u> |
| BALANCE AT 31ST MARCH 2020 | | <u>17,123,000</u> | <u>(31,369)</u> | <u>17,091,631</u> |

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

Axiom Cordages Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020

| | 2020 US\$ | 2019 US\$ |
|---|-----------------------|----------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) before taxation | (7,913) | (19,794) |
| Adjustment for: | | |
| Interest income | <u>(137)</u> | <u>(244)</u> |
| Operating (loss) before changes in working capital | (8,050) | (20,038) |
| Increase / (Decrease) in accrued expenses | <u>202</u> | <u>(5)</u> |
| Cash (used in) from operations | <u>(7,848)</u> | <u>(20,043)</u> |
| NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES | <u>(7,848)</u> | <u>(20,043)</u> |
| INVESTING ACTIVITIES | | |
| Capital injection to the a subsidiary | (3,225,000) | (13,525,000) |
| Interest received | <u>137</u> | <u>244</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(3,224,863)</u> | <u>(13,524,756)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | <u>3,500,000</u> | <u>13,500,000</u> |
| | <u>3,500,000</u> | <u>13,500,000</u> |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 267,289 | (44,799) |
| CASH AND CASH EQUIVALENTS AT 1ST APRIL | <u>65,064</u> | <u>109,863</u> |
| CASH AND CASH EQUIVALENTS AT 31ST MARCH | <u><u>332,353</u></u> | <u><u>65,064</u></u> |

Axiom Cordages Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

1. REPORTING ENTITY

Axiom Cordages Limited is a company incorporated in Hong Kong with limited liability. The Company's registered office is located at Unit A, 1/Floor, Mau Lam Commercial Building, 16-18 Mau Lam Street, Jordan, Kowloon, Hong Kong.

The principal activities of the Company are investment holding. The principal activities of its subsidiaries are set out in note 8 to the financial statements.

2. BASIS OF PREPARATION

The Company qualifies for the reporting exemption as a small private company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

In accordance with section 19.1 of the SME-FRS, the company is not required to present consolidated financial statements. The company chooses to present company-level financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The measurement base adopted is the historical cost accounting convention. Specific accounting policies adopted by the Company are set out below.

a. Subsidiaries

In the Company's statement of financial position, the interest in subsidiaries are stated at cost less provision for impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

b. Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of interests in a subsidiary. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

Axiom Cordages Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

3. PRINCIPAL ACCOUNTING POLICIES (continued)

c. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:-

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

d. Taxation

Income tax expense represents current tax expense. The income tax payable represents the amount expected to be paid to the taxation authority, using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

e. Foreign exchange

The reporting currency of the Company is United State Dollars, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into United State Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

f. Related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or entities.

4. REVENUE

An analysis of the Company's revenue is as follows:

| | 2020 US\$ | 2019 US\$ |
|------------------------|--------------|--------------|
| Other income | | |
| Bank interest received | 137 | 244 |
| Exchange gain | 131 | - |
| | <u>268</u> | <u>244</u> |

Axiom Cordages Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

5. FINANCE COSTS

| | 2020 US\$ | 2019 US\$ |
|--------------|--------------|--------------|
| Bank charges | <u>5,390</u> | <u>3,317</u> |

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging and (crediting) the followings:-

| | 2020 US\$ | 2019 US\$ |
|--------------------------------|--------------|--------------|
| Audit fees | 645 | 445 |
| (Gain) / Loss on exchange, net | (131) | 345 |
| Bank interest received | <u>(137)</u> | <u>(244)</u> |

7. TAXATION

No Hong Kong profits tax has been provided for in the financial statements as the Company has no assessable profits for the year (2019: Nil).

8. INTEREST IN A SUBSIDIARY

| | 2020 US\$ | 2019 US\$ |
|------------------------------|-------------------|-------------------|
| Unlisted investment, at cost | <u>16,750,000</u> | <u>13,525,000</u> |

Particulars of the company's subsidiary as at 31st March 2020 are as follows:

| <u>Name</u> | <u>Country of incorporation</u> | <u>Registered capital</u> US\$ | <u>Percentage held</u> | <u>Principal activities</u> |
|------------------------|-------------------------------------|---------------------------------------|----------------------------|---------------------------------|
| Axiom Cordages Limited | UAE | <u>16,750,000</u> | <u>100%</u> | Trading |

The audit of the subsidiary is not carried out by S. K. Chui & Co., Certified Public Accountants.

9. AMOUNT DUE FROM ULTIMATE HOLDING COMPANY

Details of loan to a related company, disclosed pursuant to Section 383(1) of the Companies Ordinance were as follows:-

| | 2020 US\$ | 2019 US\$ | Maximum balance during the year US\$ |
|--|---------------|---------------|---|
| <u>Name of the company</u> Axiom Cordaged Limited | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> |

The amount was unsecured, interest free and had no fixed terms of repayment.

Axiom Cordages Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

10. SHARE CAPITAL

| | 2020 | 2019 |
|----------------------------|------------|------------|
| | US\$ | US\$ |
| Issued and fully paid | | |
| 17,123,000 ordinary shares | 17,123,000 | 13,623,000 |

On 16th January 2020, the Company allotted 1,000,000 shares of US\$1 each making up the total issued capital of the Company to US\$14,623,000 for the purpose of providing working capital. These shares rank pari passu with existing shares of the Company.

On 16th January 2020, the Company allotted 1,000,000 shares of US\$1 each making up the total issued capital of the Company to US\$15,623,000 for the purpose of providing working capital. These shares rank pari passu with existing shares of the Company.

On 28th February 2020, the Company allotted 500,000 shares of US\$1 each making up the total issued capital of the Company to US\$16,123,000 for the purpose of providing working capital. These shares rank pari passu with existing shares of the Company.

On 03rd March 2020, the Company allotted 500,000 shares of US\$1 each making up the total issued capital of the Company to US\$16,623,000 for the purpose of providing working capital. These shares rank pari passu with existing shares of the Company.

On 14th March 2020, the Company allotted 500,000 shares of US\$1 each making up the total issued capital of the Company to US\$17,123,000 for the purpose of providing working capital. These shares rank pari passu with existing shares of the Company.

11. DIRECTORS' REMUNERATION, LOANS AND OTHER MATERIAL INTERESTS

- a. No payments for emoluments, retirement benefits, termination of office or services as a director were made to or receivable by the director or any parties pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation in respect of the year (2019: US\$ Nil).
- b. Other than note 9 to the financial statements, no loans, quasi-loans and other dealings in favour of the director (including shadow director) of the Company or entities connected with the director pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation were made or entered into by the Company during the year or subsisted at the end of the year.
- c. The Company has not entered into any transactions, arrangements or contracts during the year, in which the director of the company has material interests pursuant to section 383(1)(e) of the Hong Kong Companies Ordinance and Part 4 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

12. IMMEDIATE PARENT AND ULTIMATE CONTROLLING COMPANY

At 31st March 2020, the director considers the immediate parent and ultimate controlling party of the Company to be Axiom Cordages Limited, which is incorporated in India. This entity does not produce financial statements for public use.

Axiom Cordages Limited

DETAILED INCOME STATEMENT

**FOR THE YEAR ENDED 31ST MARCH 2020
(FOR MANAGEMENT INFORMATION ONLY)**

| | 2020 US\$ | 2019 US\$ |
|--------------------------------|----------------|-----------------|
| OTHER INCOME | | |
| Bank interest received | 137 | 244 |
| Exchange gain | 131 | - |
| | <u>268</u> | <u>244</u> |
| ADMINISTRATIVE EXPENSES | | |
| Accounting fees | - | 8,917 |
| Audit fees | 645 | 445 |
| Business registration fees | 32 | 287 |
| Exchange difference | - | 345 |
| Legal and professional fees | 1,161 | - |
| Printing and stationery | 77 | 75 |
| Registered office rent | 452 | 446 |
| Secretarial fees | 323 | 318 |
| Sundry expenses | 101 | 1,327 |
| Travelling expenses | - | 4,561 |
| | <u>2,791</u> | <u>16,721</u> |
| FINANCE COSTS | | |
| Bank charges | 5,390 | 3,317 |
| | <u>5,390</u> | <u>3,317</u> |
| (LOSS) BEFORE TAXATION | <u>(7,913)</u> | <u>(19,794)</u> |

Axiom Cordages Limited

PROFITS TAX COMPUTATION

YEAR OF ASSESSMENT 2019/2020

BASIS PERIOD: YEAR ENDED 31ST MARCH 2020


CONTENTS

Page

Profits tax computation

1

We have reviewed and agreed to submit this
Profits Tax Computation
to Inland Revenue Department




Director
For and on behalf of
Axiom Cordages Limited

Axiom Cordages Limited

PROFITS TAX COMPUTATION

YEAR OF ASSESSMENT 2019/2020

BASIS PERIOD: YEAR ENDED 31ST MARCH 2020

| | US\$ |
|-----------------------------|-----------------------|
| Profit per Income Statement | <u>(7,913)</u> |
| Assessable profits | <u><u>(7,913)</u></u> |