

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014**

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited financial statements of the company for the 31 March 2014.

1. DIRECTORS

The directors in office at the date of this report are:-

ASHIM SARAF
ROHIT SARAF
DEV INDER BHALLA

2. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Since the end of the previous financial period, the company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the company or any other body corporate.

3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, none of the directors who held office at the end of the financial year were interested in the shares of the company and related corporations.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial period, no director of the company has received or has become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for those disclosed in the financial statements.

5. SHARE OPTIONS GRANTED

During the financial year, no options were granted to take up unissued shares of the company.

6. SHARE OPTIONS EXERCISED

During the financial year, no shares of the company were issued by virtue of the exercise of options granted.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

DIRECTORS' REPORT

7. UNISSUED SHARES UNDER OPTION

There were no unissued shares of the company under option at the end of the financial year.

8. AUDITORS

The auditors, Kreston David Yeung PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board,



ASHIM SARAF
Director



DEV INDER BHALLA
Director

Singapore, 23 MAY 2014

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

STATEMENT BY DIRECTORS

In the opinion of the directors:-

- i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2014 and the results of the business, changes in equity and cash flows of the company for the year ended on that date; and
- ii) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board,



ASHIM SARAF
Director



DEV INDER BHALLA
Director

Singapore, 23 MAY 2014



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FACOR MINERALS PTE. LTD. (UEN: 201130812M)**

Report on the Financial Statements

We have audited the accompanying financial statements of Facor Minerals Pte. Ltd. (the "company"), which comprise the statement of financial position as at 31 March 2014, and the statement of profit or loss and other 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, as set out on pages 6 to 20.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Auditor's opinion

We were unable to assess the collectability of the loan to a related company and other receivables amounting to US\$ 475,000 and US\$ 10,810 respectively as at the end of the reporting period. We do not consider the information made available to us sufficient to enable us to form an opinion as to the ability of a related party and other receivable to repay these balance. Consequently, we are unable to satisfy ourselves as to the adequacy of the allowance for doubtful debts should reflected in the financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FACOR MINERALS PTE. LTD. (UEN: 201130812M)**

Qualified Auditor's Opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2014 and the results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, **23 MAY 2014**

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2014

	Note	2014 US\$	2013 US\$
ASSETS			
Current assets			
Other receivables, deposits and prepayments	3	23,959	13,216
Loans to a related company	4	475,000	-
Cash and bank balances		12,549	507,959
Total assets		511,508	521,175
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	5	543,000	543,000
Accumulated losses		(37,452)	(31,571)
Total equity		505,548	511,429
Current liabilities			
Amount due to holding company	6	-	4,068
Other payables and accruals	7	5,960	5,678
Total current liabilities		5,960	9,746
Total equity and liabilities		511,508	521,175

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2014

	Note	2014 US\$	2013 US\$
Other revenue			
Interest income		20,679	-
Foreign exchange gain		489	-
		<u>21,168</u>	<u>-</u>
Less: Costs and expenses			
Nominee director's fee		4,800	4,891
Finance cost		9,869	-
Other operating expenses		12,380	14,655
		<u>(27,049)</u>	<u>(19,546)</u>
Loss before taxation		(5,881)	(19,546)
Less: Taxation	8	<u>-</u>	<u>-</u>
Net loss and total comprehensive loss for the year		<u>(5,881)</u>	<u>(19,546)</u>

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2014

	Share Capital US\$	Accumulated Losses US\$	Total US\$
Balance as at 01.04.2012	5,001	(12,025)	(7,024)
New issuance during the year	537,999	-	537,999
Total comprehensive loss for the year	-	(19,546)	(19,546)
Balance as at 31.03.2013/01.04.2013	543,000	(31,571)	511,429
Total comprehensive loss for the year	-	(5,881)	(5,881)
Balance as at 31.03.2014	543,000	(37,452)	505,548

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

STATEMENT OF CASH FLOWS
For the year ended 31 March 2014

	2014 US\$	2013 US\$
Cash flows from operating activities		
Loss before taxation	(5,881)	(19,546)
Adjustments for:-		
Interest income	(20,679)	-
Finance cost	9,869	-
	<u>(16,691)</u>	<u>(19,546)</u>
Operating loss before working capital changes	(16,691)	(19,546)
Changes in working capital		
Decrease in other receivable, deposits and prepayments	67	498,415
Increase/(Decrease) in other payables and accruals	282	(4,038)
	<u>(16,342)</u>	<u>474,831</u>
Net cash (used in)/generated from operating activities	(16,342)	474,831
Cash flows from financing activities		
(Repayment to)/Advance from holding company	(4,068)	4,068
Proceeds from issuance share	-	12,000
Loans to related company	(475,000)	-
	<u>(479,068)</u>	<u>16,068</u>
Net cash (used in)/generated from financing activities	(479,068)	16,068
Net (decrease)/increase in cash and cash equivalents	(495,410)	490,899
Cash and cash equivalents at beginning of year	507,959	17,060
Cash and cash equivalents at end of year	12,549	507,959

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The principal activities of the company which is incorporated and domiciled in the Republic of Singapore are those of trade in chrome ore and other ores and investment holding.

The company is a wholly owned subsidiary of Facor Alloys Limited, which is also its ultimate holding company, a company incorporated in India.

The registered office of the company is located at 6 Temasek Boulevard #09-05, Suntec Tower Four, Singapore 038986.

The financial statements of the company for the year ended 31 March 2014 are authorised for issue in accordance with a resolution of the directors on 23 May 2014.

The financial statements of the company are expressed in United States dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”) and including its related Interpretations.

In the current financial year, the company has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 April 2013. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Impairment of Non- Financial Assets

The company assesses at end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

d) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets (Continued)

Subsequent measurement

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

All financial assets are recognised on their trade-date – the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

e) Impairment of Financial Assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the company first assesses whether individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Impairment of Financial Assets (Continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

f) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash at bank which is readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

g) Share Capital

Proceeds from issuance of ordinary share are recognised as share capital in equity.

h) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Financial Liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

i) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Contingencies

A contingent liability is:-

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

(b) a present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Contingencies (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent liabilities and assets are not recognised on the statement of financial position of the company.

k) Currency Translations

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The financial statements of the company are presented in United States dollar which is the functional currency of the company.

Transactions and balances

Transactions in a currency other than United States dollar (“foreign currency”) are translated into United States dollar using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to the profit or loss.

l) Taxation

Income tax on the profit or loss for the year comprises current and deferred income taxes. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rate enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Related Parties

A related party is defined as follows:-

- a) A person or a close member of that person's family is related to the company if that person:
 - i) Has control or joint control over the company;
 - ii) Has significant influence over the company; or
 - iii) Is a member of the key management personnel of the company or of a parent of the company.

- b) An entity is related to the company if any of the following conditions applies:
 - i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
 - vi) The entity is controlled or jointly controlled by a person identified in (a);
 - vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

3. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014	2013
	US\$	US\$
Other receivables	10,810	-
Deposits	8,016	8,016
Prepayment	5,133	5,200
	<u>23,959</u>	<u>13,216</u>

Included in other receivables is an interest receivable from a related company of US\$ 10,810 (2012: US\$NIL).

Deposits and prepayments are denominated in Singapore dollar.

4. LOANS TO A RELATED COMPANY

The loans are unsecured and bear interest at 6% (2013: NIL) per annum and are repayable in full five years falling from the date of drawdown.

The loans are considered as callable loans and can be recalled at the lender's discretion notwithstanding that there are fixed repayment terms under the loans agreements.

5. SHARE CAPITAL

	No. of shares	2014 US\$	No. of shares	2013 US\$
<u>Issued and fully paid ordinary share:-</u>				
At the date of incorporation/ beginning of the year	543,000	543,000	5,001	5,001
Issuance of shares	-	-	537,999	537,999
At the end of the year/period	<u>543,000</u>	<u>543,000</u>	<u>543,000</u>	<u>543,000</u>

The owner of ordinary shares is entitled to receive dividends as and when declared by the company. All ordinary shares have no par value and carry one vote per share without restrictions.

6. AMOUNT DUE TO HOLDING COMPANY

Amount due to holding company is non-trade in nature, unsecured, interest free, repayable on demand and to be settled in cash.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

7. OTHER PAYABLES AND ACCRUALS

	2014	2013
	US\$	US\$
Accruals	<u>5,960</u>	<u>5,678</u>

Other payables and accruals are denominated in Singapore dollar.

8. TAXATION

No provision for taxation has been made in view of the loss incurred for the year

The tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to loss before taxation due to the following factors:-

	2014	2013
	US\$	US\$
Loss before taxation	<u>(5,881)</u>	<u>(19,546)</u>
Tax expense calculated at a tax rate of 17%	(1,000)	(3,323)
Expenses not deductible for tax purposes	<u>1,000</u>	<u>3,323</u>
Tax expense	<u>-</u>	<u>-</u>

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company does not have written financial risk management policies and guidelines. The management closely monitors the company's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Foreign Currency Risk

The company has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies other than United States dollar, arising from normal trading activities.

There is no formal hedging policy with respect to the foreign exchange exposure. Exposure to exchange risk is monitored on an ongoing basis and the company endeavors to keep the net exposure at an acceptable level.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company's exposure to interest rate risk relates primarily to interest-bearing financial assets. Interest rate risk is managed by the company on an on-going basis. As at the end of the reporting period, the company is not significantly exposed to interest rate risk. Sensitivity analysis is not performed as the impact is not significant.

Credit Risk

The company has no significant concentrations of credit risk. Cash is placed with financial institutions which are regulated. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity Risks

The company relies on the holding company as a source of liquidity to finance its ongoing working capital requirement.

The maturity profile of the company's financial liabilities is within 12 months from the end of the reporting period.

10. FAIR VALUES

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

11. CAPITAL MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debts and equity balances.

The company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholder or issue new shares.

There were no changes in the company's approach to capital management during both of the financial periods.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

12. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2014 US\$	2013 US\$
<u>Financial assets</u>		
Loans and receivables:-		
Deposits	18,826	8,016
Loans to related company	475,000	-
Cash and bank balances	12,549	507,959
Total financial assets	<u>506,375</u>	<u>515,975</u>
<u>Financial liabilities</u>		
At amortised costs:-		
Amount due to holding company	-	4,068
Other payables and accruals	5,960	5,678
Total financial liabilities	<u>5,960</u>	<u>9,746</u>

13. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2014. The company does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

The company has not considered the impact of Accounting Standards issued after the end of reporting period.

FACOR MINERALS PTE. LTD.
(UEN: 201130812M)

DETAILED PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2014

	2014 US\$	2013 US\$
Other income		
Interest income	20,679	-
Foreign exchange gain	489	-
	<u>21,168</u>	<u>-</u>
Less: Operating expenses		
Audit fee	2,016	1,482
Bank charges	1,425	572
Finance cost	9,869	-
Nominee director's fee	4,800	4,891
Postage and courier	61	122
Professional fees	6,690	9,817
Secretarial fee	2,188	2,662
	<u>(27,049)</u>	<u>(19,546)</u>
Loss before taxation	<u>(5,881)</u>	<u>(19,546)</u>

This schedule does not form part of the statutory audited financial statements.