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**KENSINGTON VENTURES PTE. LTD.**  
**(Company Registration Number: 200909101D)**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

**KENSINGTON VENTURES PTE. LTD.**

**REPORT OF THE DIRECTOR  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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The director presents his report to the member together with the audited financial statements of Kensington Ventures Pte. Ltd. (the "Company") for the financial year ended 31 December 2014.

1. DIRECTOR

The director of the Company in office at the date of this report is as follows:

Ong Chang Jeh

2. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

According to the register of director's shareholdings, none of the director holding office at the end of the financial period had any interest in the shares or debentures of the Company, except as follows:

| <u>Name of director</u> | <u>Number of ordinary shares</u> |                            |
|-------------------------|----------------------------------|----------------------------|
|                         | <u>At 1 January 2014</u>         | <u>At 31 December 2014</u> |
| Ong Chang Jeh           | 100                              | -                          |

4. DIRECTOR'S CONTRACTUAL BENEFITS

Since the end of previous financial period, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or with a firm of which he is a member or with a company in which he has a substantial financial interest.

5. OPTIONS GRANTED

During the financial period, there were no options granted to any person to take up unissued shares of the Company or any corporation in the Company.

**KENSINGTON VENTURES PTE. LTD.**

**REPORT OF THE DIRECTOR  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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6. OPTIONS EXERCISED

During the financial period, there were no shares of the Company or any corporation in the Company issued by virtue of the exercise of option to take up unissued shares.

7. OPTION OUTSTANDING

At the end of the financial period, there were no unissued shares of the Company or any corporation in the Company under option.

8. INDEPENDENT AUDITOR

The independent auditor, Business Assurance, has expressed its willingness to accept re-appointment.



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Ong Chang Jeh

Date,

27 APR 2015

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**KENSINGTON VENTURES PTE. LTD.**

**STATEMENT BY THE DIRECTOR  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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In the opinion of the director,

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



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Ong Chang Jeh

Date,

27 APR 2015

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**BUSINESS ASSURANCE**  
AUDIT AND ADVISORY

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBER OF KENSINGTON VENTURES PTE. LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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**Report on the financial statements**

We have audited the accompanying financial statements of Kensington Ventures Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial period then ended, and a summary of significant accounting policies and other explanatory information.

*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 accounts and balance sheet and to maintain accountability of assets.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 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.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBER OF KENSINGTON VENTURES PTE. LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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*Opinion*

In our opinion, the financial statements of the Company 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 December 2014 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

*Emphasis of Matter*

Without qualifying our opinion, we draw attention to note 2.2 to the financial statements, the Company incurred a net loss of \$85,920 during the year ended 31 December 2014 and, as of that date, and the Company's total liabilities exceeded its total assets by \$109,562. Notwithstanding the above, the directors of the Company considers that it is appropriate for the Company to prepare its financial statements on a going concern basis, as the Company has received an undertaking from the holding company to continue to provide the Company with financial and other support as is necessary for the next twelve months to enable the Company to continue operations and to meet its liabilities as and when they fall due.

**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.

*BUSINESS ASSURANCE*

**BUSINESS ASSURANCE**

Public Accountants and  
Chartered Accountants

Singapore

Date,

*27 APR 2015*

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KENSINGTON VENTURES PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

|  | Note | <u>From</u><br><u>01.01.2014</u><br><u>to</u><br><u>31.12.2014</u> | <u>From</u><br><u>01.07.2013</u><br><u>to</u><br><u>31.12.2013</u> |
|--|------|--|--|
|  |      | \$   | \$   |
| Revenue  | 4    | -  | 16,000   |
| Cost of sales  |      | -  | -  |
| <b>Gross profit</b>  |      | -  | 16,000   |
| Administrative expenses  |      | (85,920)   | (14,930)   |
| <b>(Loss)/ profit before income tax</b>  | 5    | (85,920)   | 1,070  |
| Income tax expense   | 6    | -  | -  |
| <b>(Loss)/ profit for the financial year/period,<br/>representing total comprehensive (loss)/<br/>profit for the year/period</b> |      | (85,920)   | 1,070  |

*The accompanying notes form an integral part of the financial statements.*

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KENSINGTON VENTURES PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

|                             | Note | <u>2014</u>      | <u>2013</u>     |
|-----------------------------|------|------------------|-----------------|
|                             |      | \$               | \$              |
| <b>ASSETS</b>               |      |                  |                 |
| <b>Non - current assets</b> |      |                  |                 |
| Plant and equipment         | 7    | 285,970          | -               |
| <b>Current assets</b>       |      |                  |                 |
| Cash and bank balances      | 8    | 113,603          | 4,509           |
| Other receivables           | 9    | 5,001            | -               |
| <b>Total assets</b>         |      | <u>404,574</u>   | <u>4,509</u>    |
| <b>Current liabilities</b>  |      |                  |                 |
| Other payables              | 10   | 514,136          | 33,152          |
| <b>Total liabilities</b>    |      | <u>514,136</u>   | <u>33,152</u>   |
| <b>Net Liabilities</b>      |      | <u>(109,562)</u> | <u>(28,643)</u> |
| <b><u>EQUITY</u></b>        |      |                  |                 |
| Share capital               | 11   | 5,101            | 100             |
| Accumulated losses          |      | (114,663)        | (28,743)        |
| <b>Total Deficit</b>        |      | <u>(109,562)</u> | <u>(28,643)</u> |

*The accompanying notes form an integral part of the financial statements.*



KENSINGTON VENTURES PTE. LTD.

STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

|                                       | Share<br>capital | Accumulated<br>losses | Total     |
|---------------------------------------|------------------|-----------------------|-----------|
|                                       | \$               | \$                    | \$        |
| <b>2014</b>                           |                  |                       |           |
| Balance as at 1 January 2014          | 100              | (28,743)              | (28,643)  |
| Issuance of shares                    | 5,001            | -                     | -         |
| Total comprehensive loss for the year | -                | (85,920)              | (85,920)  |
| Balance as at 31 December 2014        | 5,101            | (114,663)             | (109,562) |

|   | Share<br>capital | Accumulated<br>losses | Total    |
|---|------------------|-----------------------|----------|
|   | \$               | \$                    | \$       |
| <b>2013</b>                               |                  |                       |          |
| Balance as at 1 July 2013                 | 100              | (29,813)              | (29,713) |
| Total comprehensive profit for the period | -                | 1,070                 | 1,070    |
| Balance as at 31 December 2013            | 100              | (28,743)              | (28,643) |

*The accompanying notes form an integral part of the financial statements*

KENSINGTON VENTURES PTE. LTD.

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

|   | <u>From</u><br>01.01.2014<br><u>to</u><br>31.12.2014 | <u>From</u><br>01.07.2013<br><u>to</u><br>31.12.2013 |
|---|--|--|
|   | \$   | \$   |
| <b>Cash flows from operating activities</b>   |  |  |
| Loss/profit before income tax   | (85,920)   | 1,070  |
| Adjustment for:   |  |  |
| Depreciation of plant and equipment   | 26,058   | -  |
| Operating loss before working capital changes                                       | (59,862)   | 1,070  |
| Change in operating assets and liabilities:   |  |  |
| Other payables  | 1,541  | 4,000  |
| Net cash (used in)/ from operating activities                                       | (58,321)   | 5,070  |
| <b>Cash flows from investing activities</b>   |  |  |
| Purchase of plant and equipment, representing cash flows used in investing activity | (312,028)  | -  |
| Net cash from investing activities  | (312,028)  | -  |
| <b>Cash flows from financing activities</b>   |  |  |
| Proceed from issuance of shares   | 5,001  | -  |
| Amount due from shareholders  | (5,001)  | -  |
| Repayment of loan from director   | (13,608)   | (17,460)   |
| Advance from related party  | 493,051  | -  |
| Net cash from/ (used in) financing activities                                       | 479,443  | (17,460)   |
| Net increase/(decrease) in cash and cash equivalents                                | 109,094  | (12,390)   |
| Cash and cash equivalents at beginning of the year                                  | 4,509  | 16,899   |
| Cash and cash equivalents at end of the year (Note 7)                               | 113,603  | 4,509  |

*The accompanying notes form an integral part of the financial statements.*

## KENSINGTON VENTURES PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

#### 1. GENERAL INFORMATION

The Company was incorporated on 9 March 2011 and is domiciled in the Republic of Singapore. The Company's registered office is at 151 Chin Swee Road #06-01, Manhattan House, Singapore 160876.

The principal activities of the Company are general wholesale trade which including general importers and exporters.

The financial statements of the Company for the financial period ended 31 December 2014 were authorised for issue in accordance with a resolution of the Director on the date of the Statement by Director.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

##### Interpretation and amendments to published standards effective in 2014

On 1 January 2014, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in any substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

## KENSINGTON VENTURES PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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#### 2.2 Going concern

The Company incurred a net loss of \$85,920 during the year ended 31 December 2014 and, as of that date, the Company's total liabilities exceeded its total assets by \$109,562. The validity of the going concern assumption on which the financial statements are prepared depends on the continued financial support from the holding company. In the event that there is no such financial support, the going concern basis would be invalid and provision would have to be made for any losses on realisation of the Company's assets and further costs which may arise. The directors are satisfied that the financial support will be available as and when required.

#### 2.3 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the financial year end date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of asset or liability that affect neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognized directly in equity.

## KENSINGTON VENTURES PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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#### 2.4 Financial assets

##### (i) Classification

The classification of financial assets depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the financial year end date which are classified as non-current assets. Receivables are presented as "cash and bank balances" on the statement of financial position

##### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on 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 financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is transferred to profit or loss.

##### (iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

##### (iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

##### (v) Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

**KENSINGTON VENTURES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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2.4 Financial assets (Cont'd)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.6 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.7 Provisions

Provision are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provision are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

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## KENSINGTON VENTURES PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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#### 2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

#### 2.9 Currency translation

##### (i) 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 are presented in Singapore Dollars, which is the functional and presentation currency of the Company.

##### (ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the profit or loss.

#### 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (i) Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2 to the financial statements, management is not aware of any judgements that have significant effect on the amounts recognised in the financial statements.

##### (ii) Critical accounting estimates and assumptions

The Company does not have any material key sources of estimation uncertainty and assumptions at the financial year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 4. REVENUE

This represents revenue recognised from services rendered to customers.

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KENSINGTON VENTURES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5. PROFIT / (LOSS) BEFORE INCOME TAX

|                                     | <u>From</u><br><u>01.01.2014</u><br><u>to</u><br><u>31.12.2014</u> | <u>From</u><br><u>01.07.2013</u><br><u>to</u><br><u>31.12.2013</u> |
|-------------------------------------|--|--|
|                                     | \$   | \$   |
| This is determined after charging:- |  |  |
| Bank charges                        | 495  | 390  |
| Travelling                          | 4,190  | 4,541  |
| Software development                | -  | 3,000  |
|                                     | <u>          </u>  | <u>          </u>  |

6. INCOME TAX EXPENSE

|                     | <u>From</u><br><u>01.07.2013</u><br><u>to</u><br><u>31.12.2014</u> | <u>From</u><br><u>01.07.2013</u><br><u>to</u><br><u>31.12.2013</u> |
|---------------------|--|--|
|                     | \$   | \$   |
| Current income tax  | -  | -  |
| Deferred income tax | -  | -  |
|                     | <u>          </u>  | <u>          </u>  |

The income tax expense varied from the amount of income tax expense by applying the Singapore income tax rate of 17% (2013: 17%) to loss before income tax as a result of the following differences:

|  | <u>From</u><br><u>01.01.2014</u><br><u>to</u><br><u>31.12.2014</u> | <u>From</u><br><u>01.07.2013</u><br><u>to</u><br><u>31.12.2013</u> |
|--|--|--|
|  | \$   | \$   |
| Loss/ profit before income tax             | <u>(85,920)</u>  | <u>1,070</u>   |
| Income tax benefit at statutory rate (17%) | (14,606)   | (182)  |
| Tax effects of:                            |  |  |
| - Non-deductible expenses                  | -  | 182  |
| - Deferred tax assets not recognised       | 14,606   | <u>          </u>  |
|  | <u>          </u>  | <u>          </u>  |

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KENSINGTON VENTURES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. PLANT AND EQUIPMENT

|                             | <u>Computer<br/>equipment</u> | <u>Software</u> | <u>Total</u> |
|-----------------------------|-------------------------------|-----------------|--------------|
|                             | \$                            | \$              | \$           |
| Cost:                       |                               |                 |              |
| At 1 January 2013           | -                             | -               | -            |
| Additions                   | -                             | -               | -            |
|                             | -----                         | -----           | -----        |
| At 31 December 2013         | -                             | -               | -            |
| Additions                   | 2,028                         | 310,000         | 312,028      |
|                             | -----                         | -----           | -----        |
| At 31 December 2014         | 2,028                         | 310,000         | 312,028      |
|                             | -----                         | -----           | -----        |
| Accumulated depreciation:   |                               |                 |              |
| At 1 January 2013           | -                             | -               | -            |
| Depreciation for the period | -                             | -               | -            |
|                             | -----                         | -----           | -----        |
| At 31 December 2013         | -                             | -               | -            |
| Depreciation for the year   | 225                           | 25,833          | 26,058       |
|                             | -----                         | -----           | -----        |
| At 31 December 2014         | 225                           | 25,833          | 26,058       |
|                             | -----                         | -----           | -----        |
| Carrying amount:            |                               |                 |              |
| At 31 December 2014         | 1,803                         | 284,167         | 285,970      |
|                             | -----                         | -----           | -----        |
| At 31 December 2013         | -                             | -               | -            |
|                             | -----                         | -----           | -----        |

8. CASH AND BANK BALANCES

|   | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|
|   | \$          | \$          |
| Cash at bank  | 113,603     | 4,509       |
|   | -----       | -----       |
| Cash and cash equivalents per statement of cash flows | 113,603     | 4,509       |
|   | -----       | -----       |

Cash at banks are denominated in Singapore dollars.

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KENSINGTON VENTURES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9. OTHER RECEIVABLES

|                              | <u>2014</u> | <u>2013</u> |
|------------------------------|-------------|-------------|
|                              | \$          | \$          |
| Other receivables:           |             |             |
| Amount due from shareholders | 5,001       | -           |

10. OTHER PAYABLES

|                            | <u>2014</u>    | <u>2013</u>   |
|----------------------------|----------------|---------------|
|                            | \$             | \$            |
| Other payables:            |                |               |
| Other payables             | 12,111         | 10,570        |
| Amount due to director     | 8,974          | 22,582        |
| Advance from related party | 493,051        | -             |
|                            | <u>514,136</u> | <u>33,152</u> |

The amount due to related party and director are unsecured, interest free and repayable on demand.

11. SHARE CAPITAL

|                             | <u>2014</u>   |            | <u>2013</u>   |            |
|-----------------------------|---------------|------------|---------------|------------|
|                             | No. of shares | \$         | No. of shares | \$         |
| At beginning of year/period | 100           | 100        | 100           | 100        |
| Issuance of shares          | 5,001         | -          | -             | -          |
| At end of year/period       | <u>5,101</u>  | <u>100</u> | <u>100</u>    | <u>100</u> |

All issued ordinary shares are fully paid. There is no par value for the ordinary shares.

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KENSINGTON VENTURES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12. RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are between members of the Company and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these related companies are unsecured, interest-free and repayable on demand unless stated otherwise.

In addition to information disclosed elsewhere in the financial statements, there was no significant transaction between the Company and related parties:

13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to variety of financial risk. The Company's overall business strategies, tolerance of risk and general risk management philosophy are determined by directors in accordance with prevailing economic and operating conditions.

(i) Credit risk

Credit risk refers to the risk that a counter party will default on its obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's trade receivables and bank balances.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations due to shortage of funds. The Company's exposure to liquidity risk arise primarily from amount due to related party.

The table below analyses the maturity profile of the Company's financial liabilities.

|                         | Carrying amount<br>\$ | Contractual cash flows<br>\$ | Contractual Cash flows |                           |
|-------------------------|-----------------------|------------------------------|------------------------|---------------------------|
|                         |                       |                              | Within 1 year<br>\$    | Within 1 to 5 years<br>\$ |
| <b>31 December 2014</b> |                       |                              |                        |                           |
| Other receivables       | 5,001                 | 5,001                        | 5,001                  | -                         |
| Other payables          | 514,136               | 514,136                      | 514,136                | -                         |
|                         | <u>519,137</u>        | <u>519,137</u>               | <u>519,137</u>         | <u>-</u>                  |
| <b>31 December 2013</b> |                       |                              |                        |                           |
| Other receivables       | -                     | -                            | -                      | -                         |
| Other payables          | 33,152                | 33,152                       | 33,152                 | -                         |
|                         | <u>33,152</u>         | <u>33,152</u>                | <u>33,152</u>          | <u>-</u>                  |

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13. FINANCIAL RISK MANAGEMENT (CON'T)

(iii) Market risk

Currency risk

Currency risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Company in the current reporting period and in future years. Majority of the Company's transactions are settled in Singapore dollar. In the opinion of the directors, the Company would not have significant currency risk exposure.

(iv) Capital risk

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Company.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements for the financial year ended 31 December 2014.

(v) Fair value measurements

Management has determined that the carrying amount of cash and bank balances and other payables reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

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14. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standard amendments and interpretations to existing standards that have been published, and is relevant for the Company's accounting periods beginning on or after 1 January 2015 or later periods and which the Company has not early adopted:

| <u>Annual periods commencing on</u> | <u>Description</u>   |
|-------------------------------------|--|
| <u>1 January 2016</u>               | <u>Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation</u> |
|                                     | <u>Amendments to FRS 1: Disclosure Initiative</u>  |

The management anticipates that the adoption of the above FRS and amendments to FRS in the future periods will not have a material impact on the financial statements of the Company.

15. COMPARATIVE FIGURES

The comparative figures cover 6 months period from 1 July 2013 to 31 December 2013.

----- *End of audited financial statements* -----

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