Company Registration No. 201202468E

TRF Holdings Pte. Ltd.

Annual Financial Statements
31 March 2016

Building a better working world

TRF Holdings Pte. Ltd.

General Information

Directors

Sudhir Laxmikant Deoras
Ng Poh Beng (Appointed on 29 March 2016)
P.V. Balasubramaniam (Resigned on 31 March 2016)

Company secretaries

Chan Boon Wee
Wong Chuen Shya

Registered office

6 Battery Road
#10-01
Singapore 049909

Auditor

Ernst & Young LLP

Banker

United Overseas Bank Ltd.

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Directors' Statement

The Directors present their statement to the member together with the audited financial statements of TRF Holidngs Pte. Ltd. (the "Company") for the financial year ended 31 March 2016.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement together with 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 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as the related company has agreed to subordinate its claim on the amount owing to it by the Company until all other liabilities of the Company have been paid and has given an undertaking not to recall the amount owing to it in the next 12 months from the date of undertaking letter if the Company is unable to continue in operational existence for the foreseeable future to enable the Company to meet its liabilities as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Sudhir Laxmikant Deoras
Ng Poh Beng

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No Director of the Company who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Option

There is presently no option scheme on unissued shares of the Company.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

Sudhir Laxmikant Deoras
Director

Ng Poh Beng
Director

Singapore

09 MAY 2016

Independent Auditor's Report To the Member of TRF Holdings Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of TRF Holdings Pte. Ltd. (the "Company") set out on pages 5 to 22, which comprise the balance sheet of the Company as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Company for the year ended 31 March 2016, 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, Chapter 50 (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 financial statements and to maintain accountability of assets.

Auditor's 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 judgment, 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.

Independent Auditor's Report To the Member of TRF Holdings Pte. Ltd.

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 financial position of the Company as at 31 March 2016 and of the financial performance, 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.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
9 May 2016

Statement of Comprehensive Income
For the financial year ended 31 March 2016

	Note	2016 US$	2015 US$
Other income	5	228	2,467,991
Administrative expenses		(41,258)	(10,823)
Finance costs		(3,767,493)	–
(Loss)/profit before tax	6	(3,808,523)	2,457,168
Income tax expense	7	–	–
(Loss)/profit for the year		(3,808,523)	2,457,168
Other comprehensive income		–	–
Total comprehensive income for the year attributable to owner of the Company		(3,808,523)	2,457,168

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

TRF Holdings Pte. Ltd.

Balance Sheet
As at 31 March 2016

	Note	2016 US$	2015 US$
Non-current asset			
Investment in associate	8	17,619,392	17,619,392
Current assets			
Cash and cash equivalents	9	12,541	854,554
Prepayment		1,796	–
		14,337	854,554
Current liability			
Accrued operating expenses and other payables		4,803	4,674
Net current assets		9,534	849,880
Non-current liability			
Amount due to related companies	10	22,372,303	18,604,126
Net liabilities		(4,743,377)	(134,854)
Equity attributable to owner of the Company			
Share capital	11	1	1
Accumulated losses		(4,743,378)	(134,855)
Total deficit		(4,743,377)	(134,854)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity
For the financial year ended 31 March 2016

	Share capital (Note 11) US$	Accumulated losses US$	Total equity US$
Balance at 1 April 2015	1	(134,855)	(134,854)
Profit for the year, representing total comprehensive income for the year	–	(3,808,523)	(3,808,523)
Dividend paid (Note 15)	–	(800,000)	(800,000)
Balance at 31 March 2016	1	(4,743,378)	(4,743,377)
Balance at 1 April 2014	1	(992,023)	(992,022)
Profit for the year, representing total comprehensive income for the year	–	2,457,168	2,457,168
Dividend paid (Note 15)	–	(1,600,000)	(1,600,000)
Balance at 31 March 2015	1	(134,855)	(134,854)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

TRF Holdings Pte. Ltd.

Cash Flow Statement
For the financial year ended 31 March 2016

	2016 US$	2015 US$
Cash flows from operating activities		
(Loss)/profit before tax	(3,808,523)	2,457,168
Adjustment for:-		
Interest income	(228)	(3)
Interest expense	3,767,493	–
Operating (loss)/profit before working capital changes	(41,258)	2,457,165
Changes in working capital		
Increase/(decrease) in accrued operating expenses	129	(411)
Decrease in prepayment	(1,796)	–
Increase/(decrease) in amount due to related companies	684	(18,945)
Net cash flows generated from operations	(42,241)	2,437,809
Interest received	228	3
Net cash flows (used in)/generated from operating activities	(42,013)	2,437,812
Cash flows from financing activity		
Dividend paid	(800,000)	(1,600,000)
Net cash flows used in financing activity	(800,000)	(1,600,000)
Net (decrease)/increase in cash and cash equivalents	(842,013)	837,812
Cash and cash equivalents at beginning of financial year	854,554	16,742
Cash and cash equivalents at end of financial year (Note 9)	12,541	854,554

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

TRF Holdings Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore. The Company is a wholly-owned subsidiary of TRF Limited incorporated in India.

The registered office and principal place of business of the Company is located at 6 Battery Road, #10-01, Singapore 049909.

The principal activity of the Company is that of an investment holding company. There has been no significant change in the nature of this activity during the financial year.

2. Fundamental accounting concept

The financial statements have been prepared under going concern basis notwithstanding that it is in a net liabilities position as the related company has agreed to subordinate its claim to the amount due to it by the Company until all other liabilities have been paid and has given an undertaking to provide continuing financial support to the Company to enable it to meet its obligation as and when they fall due.

3. Summary of significant accounting policies

3.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars ("USD" or "US$").

Consolidated financial statements have not been prepared as the Company is itself a wholly-owned subsidiary of TRF Limited, incorporated in India that prepares consolidated financial statements. Accordingly, the Company is not required under FRS 27 Consolidated and Separate Financial Statements to prepare consolidated financial statements. The registered office of TRF Limited is 11, Station Road, Burma Mines, Jamshedpur 831007, India.

3.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2015.

The adoption of these standards did not have any effect on the financial performance or position of the Company.

3. Summary of significant accounting policies (cont'd)

3.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

3.4 *Foreign currencies*

The financial statements are presented in United States Dollars ("USD"), which is also the Company's functional currency, and which reflects the economic substance of the underlying events and circumstances of the Company.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

3.5 *Associate*

An associate is an entity, not being a subsidiary or a joint venture, in which the Company has significant influence. In the Company's financial statements, investment in associate is accounted for at cost less any impairment losses.

3. Summary of significant accounting policies (cont'd)

3.6 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any 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 of disposal 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 or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assets. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount.

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 the asset is increased to its recoverable amount. That increased amount 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.

3.7 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised 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, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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.

3. **Summary of significant accounting policies (cont'd)**

3.7 ***Financial instruments (cont'd)***

(a) ***Financial assets (cont'd)***

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised 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 and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, other 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 expires. 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.

3. Summary of significant accounting policies (cont'd)

3.8 *Impairment of financial assets*

The Company assesses at each reporting date 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 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 asset, 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.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been 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 asset 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 been 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.

3.9 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Summary of significant accounting policies (cont'd)

3.10 *Borrowing costs*

Borrowing costs are generally expensed in the period in which they are incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 *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.

3.12 *Dividend income*

Dividend income is recognised when the Company's right to receive payment is established.

3.13 *Income taxes*

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the country where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. Summary of significant accounting policies (cont'd)

3.13 *Income taxes (cont'd)*

(b) *Deferred tax (cont'd)*

- In respect of temporary differences associated with investment in associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an 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 of disposal 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 or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. 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 the 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 profit or loss.

5. Other income

	2016 US$	2015 US$
Dividend Income	–	2,450,000
Interest income	228	3
Foreign exchange gain	–	17,988
	228	2,467,991

6. (Loss)/profit before tax

The following item has been included in arriving at (loss)/profit before tax:

	2016 US$	2015 US$
Legal and other professional fees	31,470	6,269
Foreign exchange loss	3,404	–
Interest expenses	3,767,493	–

7. Income tax expense

A reconciliation of the tax expense and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 March are as follows:

	2016 US$	2015 US$
(Loss)/profit before tax	(3,808,523)	2,457,168
Tax at the applicable tax rate of 17%	(647,449)	417,719
Income not subject to taxation	–	(416,500)
Deferred tax assets not recognised	647,449	(1,219)
Tax expense	–	–

8. Investment in associate

	2016 US$	2015 US$
Shares, at cost	17,619,392	17,619,392

Details of associate is as follows:-

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2016 %	2015 %
Held by the Company				
York Transport Equipment (Asia) Pte Ltd (1)	Singapore	Production and distribution of axles and related components	49	49
Held through York Transport Equipment (Asia) Pte Ltd				
YTE Special Products Pte Ltd (1)	Singapore	Distribution of axles and related components	49	49
York Sales (Thailand) Co., Ltd (2)	Thailand	Trading in axles and related components	49	49
York Transport Equipment Pty Limited (2)	Australia	Production and distribution of axles and related components	49	49
Rednet Pte Ltd (1)	Singapore	Trading in axles and related components	49	49
YTE Transport Equipment (SA) (Pty) Limited (6)	South Africa	Trading in axles and related components	49	49
York Transport Equipment (India) Pvt. Ltd. (2)	India	Production and distribution of axles and related components	49	49
PT York Engineering (3)	Indonesia	Dormant	49	49
Held through YTE Special Products Pte Ltd				
Qingdao YTE Special Products Co. Ltd. (4)	People's Republic of China	Production and distribution of axles and related components	49	49
York Transport Equipment (Shanghai) Co Ltd. (5)	People's Republic of China	Production and distribution of axles and related components	49	49

8. Investment in associate (cont'd)

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by other auditor, Aria, Sukimoto & Rekan Certified Public Accountants Co Ltd.

(4) Audited by other auditor, Qian Ze Certified Public Accountants Co Ltd.

(5) Audited by other auditor, Shanghai Shenya Certified Public Accountants Co Ltd.

(6) Audited by other auditors, CBB Rodl & Partner Inc.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Company, is as follows:

	2016 US$	2015 US$
Assets and liabilities:		
Current assets	31,101,443	40,751,230
Non-current assets	25,368,142	21,401,462
Total assets	56,469,585	62,152,692
Current liabilities	(31,277,013)	(33,080,733)
Non-current liabilities	(8,809,696)	(13,214,544)
Total liabilities	(40,086,709)	(46,295,277)
Net assets	16,382,876	15,857,415
Results:		
Revenue	54,876,896	56,173,917
Profit for the year	1,806,164	7,843,274

9. Cash and cash equivalents

	2016 US$	2015 US$
Cash at bank and total loans and receivables	12,541	854,554

Cash and cash equivalents denominated in foreign currencies at the balance sheet date:

Singapore dollars	12	233

10. Amount due to related companies

	2016 US$	2015 US$
Amount due to immediate holding company	2,274	2,410
Amount due to associate	21,582,782	17,818,656
Amount due to a related company	787,247	783,060
	22,372,303	18,604,126
Add: Accrued operating expense and other payables	4,803	4,674
Total financial liabilities carried at amortised cost	22,377,106	18,608,800

Amount due to immediate holding company/associate/a related company are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are not expected to be repaid within the next twelve months.

The associate has agreed to subordinate its claim on the amount owing to it by the Company until all the liabilities of the Company have been paid.

11. Share capital

	2016 US$	2015 US$
Issued and fully paid :		
At 1 April and at 31 March	1	1

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. This share has no par value.

12. Financial risk management objectives and policies

The main risk arising from the Company's financial instruments is liquidity risk. There has been no change to the Company's exposure to this financial risk or the manner in which it manages and measures the risk. The board reviews and agrees policies for managing this risk and it is summarised below:

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds.

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations. Short-term funding is obtained from its related companies.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low as its immediate holding company has agreed to provide financial support to the Company to enable it to meet its obligation as and when they fall due.

12. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less US$	1 to 5 years US$	More than 5 years US$	Total US$
2016				
Financial asset				
Cash and cash equivalents	12,541	–	–	12,541
Total undiscounted financial asset	12,541	–	–	12,541
Financial liabilities				
Accrued operating expenses	4,803	–	–	4,803
Amount due to related companies	–	–	22,372,303	22,372,303
Total undiscounted financial liabilities	4,803	–	22,372,303	22,377,106
Total net undiscounted financial assets/(liabilities)	7,738	–	(22,372,303)	(22,364,565)
2015				
Financial asset				
Cash and cash equivalents	854,554	–	–	854,554
Total undiscounted financial asset	854,554	–	–	854,554
Financial liabilities				
Accrued operating expenses	4,674	–	–	4,674
Amount due to related companies	–	–	18,604,126	18,604,126
Total undiscounted financial liabilities	4,674	–	18,604,126	18,608,800
Total net undiscounted financial assets/(liabilities)	849,880	–	(18,604,126)	(17,754,246)

13. Fair values of assets and liabilities

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of cash and cash equivalent and accrued operating expenses and other payables are reasonable approximation of fair values, due to their short-term nature.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

It is not practicable to determine the fair value of amounts due to related companies which are carried at cost as these amounts are not expected to be settled within the next 12 months from reporting date.

14. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder.

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, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2016.

15. Dividends

	2016 US$	**2015** US$
Declared and paid during the financial year		
Dividends on ordinary share:		
Interim exempt (one-tier) dividend for		
2016: US$800,000 (2015: US$1,600,000) per share	800,000	1,600,000

16. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 9 May 2016.