

**BSL AC&R (SINGAPORE) PTE. LTD.**

**Co. Reg. No: 202026252W**  
(Incorporated in Singapore)

**DIRECTORS' STATEMENT AND  
FINANCIAL STATEMENTS**

FOR THE FINANCIAL PERIOD FROM 29 AUGUST 2020  
(DATE OF INCORPORATION) TO 31 MARCH 2021



***JCPartners PAC***  
CHARTERED ACCOUNTANTS OF SINGAPORE

## BSL AC&R (SINGAPORE) PTE. LTD.

( Incorporated in Singapore )

### DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of BSL AC&R (Singapore) Pte. Ltd. (the "Company") for the financial period from 29 August 2020 (date of incorporation) to 31 March 2021.

#### Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the financial period from 29 August 2020 (date of incorporation) to 31 March 2021, 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 and when they fall due.

#### Directors

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

Balasubramanian Thiagarajan	(Appointed on 29 August 2020)
Vir Suneel Advani	(Appointed on 29 August 2020)
Neeraj Basur	(Appointed on 29 August 2020)
Wong Ying Cheeng	(Appointed on 29 August 2020)
Dawood Bin Ozair	(Appointed on 29 August 2020)

#### Arrangements to enable directors to acquire shares or debentures

During and as at end of 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.

#### Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50, none of the directors who held office the end of the financial period had any interest in shares of the Company and its related corporations, except as follows:

	Shareholding registered in name of <u>director</u>		Shareholding in which director is <u>deemed to have an interest</u>	
	At beginning of period or date of <u>appointment, if</u> <u>later</u>	At beginning of period or date of <u>appointment, if</u> <u>later</u>	At beginning of period or date of <u>appointment, if</u> <u>later</u>	At beginning of period or date of <u>appointment, if</u> <u>later</u>
<u>Ultimate holding company:</u> Blue Star Limited				
		Ordinary shares		Ordinary shares
Balasubramanian Thiagarajan	72,800	72,800	-	-
Neeraj Basur	49,600	49,600	-	-
Vir Suneel Advani	1,074,625	1,074,625	100,000	100,000

### Share options

During the financial period, there were:

- (a) no options granted by the Company to any person to take up unissued shares in the Company;  
and
- (b) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.


As at the end of the financial period, there were no unissued shares of the Company under options.

### Auditor

JCPartners PAC has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

  
Dawood Bin Ozair  
Director

  
Neeraj Basur  
Director

Singapore, 4 May 2021

( 1 )

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

**BSL AC&R (SINGAPORE) PTE. LTD.**

( Incorporated in Singapore )

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of BSL AC&R (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period from 29 August 2020 (date of incorporation) to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the financial period from 29 August 2020 (date of incorporation) to 31 March 2021.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the Directors' Statement.

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

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

*Responsibilities of Management and Directors 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 Act and FRSs, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

**BSL AC&R (SINGAPORE) PTE. LTD.**

( Incorporated in Singapore )

*Responsibilities of Management and Directors for the Financial Statements - continued*

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements.*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

**BSL AC&R (SINGAPORE) PTE. LTD.**

( Incorporated in Singapore )

**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.



JCPARTNERS PAC  
Public Accountants and Chartered Accountants  
Singapore

Singapore, 4 May 2021

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

## Statement of Financial Position as at 31 March 2021

	<u>Note</u>	<u>2021</u>
		US\$
<u>EQUITY</u>		
Share capital	4	3,216,095
Accumulated loss		<u>(57,084)</u>
Total equity		<u>3,159,011</u>
REPRESENTED BY:		
<u>NON-CURRENT ASSET</u>		
Investment in a joint venture	5	<u>2,713,846</u>
<u>CURRENT ASSETS</u>		
Prepayments		1,464
Cash and cash equivalents	6	469,147
		<u>470,611</u>
<u>LESS: CURRENT LIABILITIES</u>		
Other payables	7	15,651
Amount due to immediate holding company	8	9,795
		<u>25,446</u>
Net current assets		<u>445,165</u>
Total net assets		<u>3,159,011</u>

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

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

Statement of Comprehensive Income for the  
financial period from 29 August 2020 (date of incorporation) to 31 March 2021

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		29/08/2020 to 31/03/2021
	<u>Note</u>	US\$
Revenue		-
Other operating expenses		<u>57,084</u>
Loss before taxation	9	(57,084)
Income tax expense	10	<u>-</u>
Loss for the period, representing total comprehensive loss for the financial period		<u><u>(57,084)</u></u>

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



**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

Statement of Changes in Equity for the  
financial period from 29 August 2020 (date of incorporation) to 31 March 2021

	<u>Share capital</u>	<u>Accumulated loss</u>	<u>Total</u>
	US\$	US\$	US\$
At date of incorporation	1	-	1
Issuance of share capital	3,216,094	-	3,216,094
Loss for the period, representing total comprehensive loss for the financial period	-	(57,084)	(57,084)
Balance as at 31 March 2021	<u>3,216,095</u>	<u>(57,084)</u>	<u>3,159,011</u>

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

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

Statement of Cash Flows for the  
financial period from 29 August 2020 (date of incorporation) to 31 March 2021

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	29/08/2020 to <u>Note</u> 31/03/2021
	US\$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Loss before taxation, representing loss before working capital change,	(57,084)
Changes in working capital:	
Prepayments	(1,464)
Other payables	15,651
Net cash used in operating activities	<u>(42,897)</u>
<b><u>CASH FLOW FROM INVESTING ACTIVITY:</u></b>	
Investment in joint venture, representing net cash used in investing activity	<u>(2,713,846)</u>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES:</u></b>	
Proceeds from issuance of ordinary shares	3,216,095
Advances from immediate holding company	9,795
Net cash from financing activities	<u>3,225,890</u>
Net change in cash and cash equivalents	469,147
Cash and cash equivalents at date of incorporation	<u>-</u>
Cash and cash equivalents at end of financial period	6 <u><u>469,147</u></u>

The accompanying notes form an integral part of these financial statements

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

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NOTES TO FINANCIAL STATEMENTS - 31 March 2021

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a private limited liability company domiciled and incorporated in the Republic of Singapore. Its registered office is located at 101 Thomson Road, #14-02/03 United Square, Singapore 307591.

The Company's immediate holding company is Blue Star International FZCO, a company incorporated in Dubai Airport Free Zone, United Arab Emirates. The Company's ultimate holding company is Blue Star Limited, a company incorporated in India and the shares are listed on National Stock Exchange of India Limited and BSE Limited (formerly known as Bombay Stock Exchange).

The principal activity of the Company is to carry on the business of air-conditioning, ventilations & air filtration systems installation & maintenance, electro-mechanical equipment installation and maintenance, plumbing & sanitary contracting, electrical fitting contracting and air condition & refrigeration spare parts trading, building contracting, districts cooling plant contracting and/or any ancillary activities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs").

The financial statements expressed in United States Dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with FRS requires the use of 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 period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(b) Adoption of new and revised FRS

On the date of incorporation, 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 transitional provisions in the respective FRS and INT FRS.

The adoption of the new and revised FRS and INT FRS did not result in any substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current financial period.

(c) New FRS, INT FRS and Amendments to FRS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2021 or later periods and which the Company has not early adopted.

The management anticipates that the adoption of the new or revised standards and FRS interpretations will have no material impact on the financial statements of the Company in the period of their initial application.

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

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2. SIGNIFICANT ACCOUNTING POLICIES - continued

(d) 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.

(e) Joint Arrangement

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Company with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Company with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Company account for its investments in joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Company recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Company's share of losses in an joint venture equals or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in joint ventures. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

(f) Non-consolidation

Pursuant to FRS28 *Investment in Associates and Joint Ventures*, the Company is exempted to apply the equity method to its investment in a joint venture as the Company is a wholly-owned subsidiary corporation of Blue Star Limited. Consolidated financial statements incorporating the financial statements of the Company and its investment in a joint venture are prepared by the ultimate holding company, Blue Star Limited, a company incorporated in India and having its registered office at Kasturi Buildings, Mohan T Advani Chowk, Jamshedji Tata Road, Mumbai 400 020.

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

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2. SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Financial Assets

(i) *Classification and measurement*

The Company classifies its financial assets in the following measurement categories:

- at fair value through other comprehensive income (“FVOCI”);
- at fair value through profit or loss (“FVPL”); or
- at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. The Company’s financial asset measured at amortised cost is cash and cash equivalents.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement - Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

(ii) *Impairment of financial assets*

The Company assesses on a forward looking basis the Expected Credit Losses (“ECL”) associated with its assets carried at amortised cost and debt instruments measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on financial assets are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

(iii) *Derecognition*

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 debt instruments, 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 reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

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2. SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at amounts at which they are convertible into cash.

(i) Impairment of Non-Financial Asset

The carrying amount of the Company's non-financial asset is reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss is charged to profit or loss unless it reverses a previous revaluation credited to equity, in which case it will be charged to equity. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(j) Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements governing the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

The Company's financial liabilities measured at amortised cost include other payables and amount due to immediate holding company, which are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

(k) Provisions

Provisions are recognised when the Company has present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present value obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

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2. SIGNIFICANT ACCOUNTING POLICIES - continued

(l) Taxation

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current tax assets and liabilities for the current year is 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 substantially enacted by the report date.

Current income tax expenses 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.

Deferred tax is provided using the liability method, providing for all taxable temporary differences between the carrying amounts of all assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

A deferred 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.

(m) Foreign Currency Transactions

*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 (the “functional currency”). The financial statements of the Company are presented in United States Dollars, which is also the functional currency of the Company.

*Foreign currency transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting period are translated at exchange rates ruling at that date. Foreign currency exchange differences arising from translation are recognised in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgments 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant accounting estimates, assumptions and judgements that have the most significant effect for the preparation of financial statements:

*Impairment on investment in a joint venture*

When a joint venture is in net equity deficit and has suffered operating losses, a test is made whether the investment in the joint venture has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the joint venture, and the financial health of and near term business outlook for the joint venture, including factors such as industry and sector performance, and operational and financing cash flow.

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

4. SHARE CAPITAL

	<u>2021</u>	
	Number of shares	US\$
Issued and fully paid (with no par value):		
At the date of incorporation	1	1
Issuance during the financial period	4,380,000	3,216,094
At the end of the financial period	<u>4,380,001</u>	<u>3,216,095</u>

On 29 August 2020, the Company issued and allotted 1 ordinary share at Singapore Dollars (“S\$”) S\$1 per share for the purpose of incorporation. On 7 October 2020, the Company issued and allotted 4,380,000 ordinary shares at S\$1 for a consideration of approximately US\$3,216,094.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

5. INVESTMENT IN A JOINT VENTURE

	<u>2021</u>
	US\$
Unquoted investment – at cost	<u>2,713,846</u>

On 23 September 2020, the Company acquired 367,500 ordinary shares and 49 redeemable convertible preference shares in Blue Star M&E Engineering Pte. Ltd. from the immediate holding company. The total consideration of approximately US\$3,184,150 is fulfilled by way of issuance of the Company’s share capital to the immediate holding company.

On 25 March 2021, the 49 redeemable convertible preference shares of approximately US\$470,304 was redeemed and cancelled.

Details of the joint venture is as follows:

<u>Name of company</u>	<u>Principal activity</u>	<u>Country of incorporation/ Place of business</u>	<u>Percentage of shareholding</u>	<u>Cost of investment</u>
			<u>2021</u>	<u>2021</u>
			%	US\$
Blue Star M&E Engineering Sdn. Bhd.	Engaged in the field of mechanical, electrical and plumbing contracting which include operation and maintenance of heating, ventilation and air conditioning	Malaysia	49	<u>2,713,846</u>

The financial statement was audited by other firms of auditors.

The directors are of the opinion that the carrying amount of investment in a joint venture as at the end of the financial period is realisable and there is no indication of impairment of the investment.



**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

**6. CASH AND CASH EQUIVALENTS**

	<u>2021</u>
	US\$
Cash at bank	469,146
Cash on hand	<u>1</u>
	<u>469,147</u>

Cash and cash equivalents are denominated in the following currencies:

	<u>2021</u>
	US\$
United States Dollars	469,146
Singapore Dollars	<u>1</u>
	<u>469,147</u>

**7. OTHER PAYABLES**

	<u>2021</u>
	US\$
Accruals	11,431
Other payables	<u>4,220</u>
	<u>15,651</u>

Other payables are all denominated in Singapore Dollars.

**8. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY**

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

Amount due to immediate holding company is denominated in the following currencies:

	<u>2021</u>
	US\$
United Arab Emirates dirham	9,530
Singapore Dollars	<u>265</u>
	<u>9,795</u>

**BSL AC&R (SINGAPORE) PTE. LTD.**

(Incorporated in Singapore)

9. LOSS BEFORE TAXATION

This is stated after charging the following items which have not been otherwise disclosed in the statement of comprehensive income:

	29/08/2020 to 31/03/2021
	US\$
Foreign exchange loss, net	33,137
Legal and professional fees	<u>12,817</u>

10. INCOME TAX EXPENSE

	29/08/2020 to 31/03/2021
	US\$
Income tax for current period	<u>-</u>
Reconciliation of tax:	
Loss before taxation	<u>(57,084)</u>
Taxation at statutory tax rate of 17%	(9,704)
Tax effects of:	
Non-deductible expenses	<u>9,704</u>
	<u>-</u>

11. FINANCIAL ASSET AND FINANCIAL LIABILITIES

The following table summarises the carrying amount of financial asset and financial liabilities recorded at the end of the reporting period:

	<u>2021</u>
	US\$
<b><u>Financial asset measured at amortised cost</u></b>	
Cash and cash equivalents	<u>469,147</u>
<b><u>Financial liabilities measured at amortised cost</u></b>	
Other payables	15,651
Amount due to immediate holding company	9,795
	<u>25,446</u>

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12. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management Policies and Objectives

The main risk arising from the Company's financial statements are credit risk and liquidity risk. The directors review and agree on policies for managing each of the risks and they are summarised below:

(i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not require collateral in respect of trade and other receivables. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

*Cash and cash equivalents*

Bank balances are maintained with financial institutions with high credit rating. The cash and cash equivalents are subject to immaterial credit loss and is measured based on 12-month credit losses model.

(ii) Liquidity risk

Liquidity or funding risk is the risk that Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flow.

No liquidity risk analysis is presented as all financial liabilities are repayable within one year.

(b) Capital Risk Management

The Company's objectives when managing capital are:

- (i) To safeguard the Company's ability to continue as going concerns;
- (ii) To support the Company's stability and growth; and
- (iii) To provide capital for the purpose of strengthening the Company's risk management capability.

The Company regularly reviews and manages its capital structures to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company currently does not adopt any formal dividend policy.

The Company is not subjected to any externally imposed capital requirements.

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12. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT - continued

(c) Fair Values

The carrying amount of financial assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

13. COMPARATIVE FIGURES

There are no comparative figures available in the financial statements as this is the first financial period since the date of incorporation.

14. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial period from 29 August 2020 (date of incorporation) to 31 March 2021 were authorised for issue in accordance with a directors' resolution on the date of the Directors' Statement.

*THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS*

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Detailed Income Statement for the financial period  
from 29 August 2020 (date of incorporation) to 31 March 2021

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	29/08/2020 to 31/03/2021
	US\$
Revenue	-
<u>Less: Operating expenses</u>	
Accounting fee	4,751
Audit fee	3,711
Corporate secretarial fee	750
Foreign exchange loss, net	33,137
General expense	27
Legal and professional fees	12,817
Printing and stationery	184
Tax fee	1,707
	<u>57,084</u>
Loss before taxation	<u>57,084</u>