

**BANG HK LIMITED**

**2018**

**REPORT(S) AND ACCOUNTS**



**陳李羅會計師事務所有限公司**  
**Chan, Li, Law CPA Limited**

香港執業會計師

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

HONG KONG

**BANG HK LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**BANG HK LIMITED**  
**REPORT OF THE DIRECTOR**

The sole director has pleasure in submitting his annual report together with the audited financial statements for the year ended 31 March 2018.

**PRINCIPAL PLACE OF BUSINESS**

Bang HK Limited (the “Company”) was incorporated and domiciled in Hong Kong and has its registered office at Unit 1009, 10/F., Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong and principal places of business in China.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are the trading of textile piece goods and cotton fabrics and investment holding. The principal activities and other particulars of the Company’s subsidiary are set out in note 7 to the financial statements.

**RESULTS**

The financial performance and cash flows of the Company for the year ended 31 March 2018 and the financial position of the Company at that date are set out in the financial statements on pages 7 to 20.

**SHARE CAPITAL**

Details of share capital of the Company are set out in note 11 to the financial statements. There were no movements in share capital during the year.

**DIRECTOR**

The sole director who held office during the financial year and up to the date of this report is :-

Mr. BANG Brijgopal Balaram

There being no provision in the Company’s articles of association for the retirement of director by rotation, the sole director shall continue in office.

## **DIRECTOR'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance to which the Company, or any of its holding company, subsidiary or fellow subsidiaries was a party, and in which the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year was the Company, or any of its holding company, subsidiary or fellow subsidiaries a party to any arrangement 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.

## **MANAGEMENT CONTRACTS**

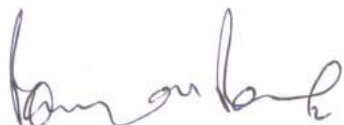
No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## **BUSINESS REVIEW**

No business review is presented for the year as the Company has been able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance since it falls within the reporting exemption.

## **AUDITORS**

The financial statements were audited by Chan, Li, Law CPA Limited, Certified Public Accountants (Practising), which retires and, being eligible, offers itself for re-appointment.



Bang Brijgopal Balaram  
Sole director

Hong Kong, 30 MAY 2018



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BANG HK LIMITED  
(incorporated in Hong Kong with limited liability)**

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

***Qualified Opinion***

We have audited the financial statements of Bang HK Limited (the "Company") set out on pages 7 to 20, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the recoverability of amount due from a subsidiary described in the Basis for Qualified Opinion section of our report, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of the financial performance and cash flows of the Company for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

***Basis for Qualified Opinion***

Included in current assets at the end of the reporting period is an outstanding balance of HK\$448,679 (2017 : HK\$448,679) due from a subsidiary which has remained unsettled as at the date of this report. The director of the Company is of the opinion that the amount due from the subsidiary will be recovered once the capital has been paid up. Hence no provision for impairment loss on amount due from a subsidiary should be made. We cannot determine whether provision for impairment loss is necessary as we were not provided with the financial information about this subsidiary and were not able to determine its ability to settle the balance. Any adjustment to the above amount would have a consequential effect on the net assets of the Company as at 31 March 2018 and the financial performance for the year then ended. We have made similar reservation in the auditors' report of the previous year's financial statements in respect of the outstanding balance due from the subsidiary as at 31 March 2017.

Directors: Chan Chi Bor 陳志波

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We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. 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 HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Information Other than the Financial Statements and Auditor’s Report Thereon***

The director is responsible for the other information. The other information comprises all the information included in the director’s report set out on pages 1 and 2, but does not include the financial statements and our auditor’s report thereon.

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

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

***Responsibilities of Director for the Financial Statements***

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The director is responsible for overseeing the Company’s financial reporting process.



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

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :-

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



*Chan, Li, Law CPA Limited*

*Certified Public Accountants (Practising)*

陳李羅會計師事務所有限公司

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- 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.

**Report on Other Matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance**

**Matters on which we are required to report by exception**

In accordance with the Hong Kong Companies Ordinance, we have the following matters to report. We have not obtained all the information and explanations that to the best of our knowledge and belief, are necessary and material for the purpose of our audit in respect alone of the inability to obtain sufficient appropriate audit evidence set out in the Basis for Qualified Opinion section above relating to the recoverability of amount due from a subsidiary.

Chan, Li, Law CPA Limited

Certified Public Accountants (Practising)

Hong Kong, 30 MAY 2018

Kwok Wai Choi Eddie

Practising Certificate No.: P05451



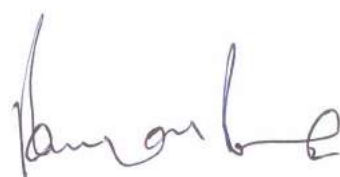
**BANG HK LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
*(Expressed in Hong Kong dollars)*

	<u>Note</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
<b>Turnover</b>	3	-	-
Other income		3,318	2
Administrative expenses		(3,496)	(3,495)
Other operating expenses		(24,145)	(24,768)
<b>Loss before tax</b>	5	<u>(24,323)</u>	<u>(28,261)</u>
Income tax	6(a)	-	-
<b>Loss for the year</b>		<u>(24,323)</u>	<u>(28,261)</u>
<b>Other comprehensive expense for the year</b>		-	-
<b>Total comprehensive expense for the year</b>		<u><u>(24,323)</u></u>	<u><u>(28,261)</u></u>

The notes on pages 11 to 20 form part of these financial statements.

**BANG HK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**  
*(Expressed in Hong Kong dollars)*

	<u>Note</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Interest in a subsidiary	7	-	-
Property, plant and equipment	8	-	3,496
		<u>-</u>	<u>3,496</u>
		-----	-----
<b>Current assets</b>			
Trade receivables		-	74,273
Amount due from a subsidiary	7	448,679	448,679
Cash at bank		166,125	179,725
Tax recoverable	6(c)	-	7,227
		<u>614,804</u>	<u>709,904</u>
		-----	-----
<b>Current liabilities</b>			
Accruals		11,350	11,350
Other payable	9	244,223	244,223
Receipt in advance	10	26,531	100,804
		<u>282,104</u>	<u>356,557</u>
		-----	-----
<b>Net current assets</b>		<u>332,700</u>	<u>353,527</u>
		-----	-----
<b>NET ASSETS</b>		<u>332,700</u>	<u>357,023</u>
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Share capital	11	245,000	245,000
Accumulated profits		87,700	112,023
		<u>332,700</u>	<u>357,023</u>
		=====	=====



Bang Brijgopal Balaram  
Sole director

The notes on pages 11 to 20 form part of these financial statements.

**BANG HK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
*(Expressed in Hong Kong dollars)*

	Share capital HK\$	Accumulated profits HK\$	Total HK\$
Balance at 1 April 2016	245,000	140,284	385,284
Total comprehensive expense for the year ended 31 March 2017	-	(28,261)	(28,261)
Balance at 31 March 2017	<u>245,000</u>	<u>112,023</u>	<u>357,023</u>
Total comprehensive expense for the year ended 31 March 2018	-	(24,323)	(24,323)
Balance at 31 March 2018	<u><u>245,000</u></u>	<u><u>87,700</u></u>	<u><u>332,700</u></u>

The notes on pages 11 to 20 form part of these financial statements.



**BANG HK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
*(Expressed in Hong Kong dollars)*

	<u>2018</u> HK\$	<u>2017</u> HK\$
<b>Cash flows from operating activities</b>		
Loss before tax	(24,323)	(28,261)
Adjustments for :-		
Bank interest income	(1)	(2)
Depreciation	3,496	3,495
<b>Operating loss before changes in working capital</b>	<u>(20,828)</u>	<u>(24,768)</u>
Decrease in trade receivables	74,273	-
Decrease in accruals	-	(180)
Decrease in receipt in advance	(74,273)	-
<b>Cash used in operations</b>	<u>(20,828)</u>	<u>(24,948)</u>
Hong Kong profits tax refunded/(paid)	7,227	(1,151)
<b>Net cash used in operating activities</b>	<u>(13,601)</u>	<u>(26,099)</u>
<b>Cash flows from investing activity</b>		
Bank interest income	1	2
<b>Net cash generated from investing activity</b>	<u>1</u>	<u>2</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(13,600)</u>	<u>(26,097)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	179,725	205,822
<b>Cash and cash equivalents at the end of the year</b>	<u>166,125</u>	<u>179,725</u>
<b>Analysis of the balance of cash and cash equivalents</b>		
Cash at bank	<u>166,125</u>	<u>179,725</u>

The notes on pages 11 to 20 form part of these financial statements.

**BANG HK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
*(Expressed in Hong Kong dollars)*

**1. CORPORATE INFORMATION**

Bang HK Limited (the “Company”) is a private limited company incorporated and domiciled in Hong Kong and has its registered office at Unit 1009, 10/F., Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong and principal place of business in China. The principal activities of the Company are the trading of textile piece goods and cotton fabrics and investment holding. The principal activities and other particulars of the Company’s subsidiary are set out in note 7 to the financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Statement of compliance**

For the purposes of compliance with sections 379 and 380 of the Hong Kong Companies Ordinance, these financial statements have been prepared to present a true and fair view of the financial position and financial performance of the Company only. Consequently, the financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and requirements of the Hong Kong Companies Ordinance.

As the Company is a wholly owned subsidiary of another body corporate, it satisfies the exemption criteria set out in section 379(3)(a) of the Hong Kong Companies Ordinance, and is therefore not required to prepare consolidated financial statements.

Given the above, these financial statements are not prepared for the purposes of compliance with HKFRS 10, Consolidated Financial Statements, so far as the preparation of consolidated financial statements is concerned. As a consequence, the financial statements do not give all the information required by HKFRS 10 about the economic activities of the group of which the Company is the parent.

**(b) Basis of preparation of financial statement**

The measurement basis used in the preparation of the financial statements is the historical cost basis.



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Basis of preparation of financial statement (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

### (c) Changes in accounting policies and disclosures

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Company. None of these impact on the accounting policies of the Company. The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (d) Subsidiaries

Subsidiaries are those companies controlled by the Company. Controls exist when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the Company and other parties) are considered. Interests in subsidiaries are stated at cost less provision for impairment losses in the statement of financial position.

### (e) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the translation dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair values are translated using the foreign exchange rates ruling at the dates the fair value was determined.



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Provisions and contingencies

A provision is recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

### (g) Impairment of assets

The carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any 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. Impairment losses are recognised in profit or loss.

The recoverable amount is the higher of an asset's net realisable value and value in use. The net realisable value is the estimated amount obtainable from the sale of the asset in an arm's length transaction, between knowledgeable and willing parties, less the costs of disposal. The value in use is the present value of the 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. Recoverable amounts are estimated for individual assets or, where this is not possible, for the cash-generating unit of which the assets form part.

If there is any indication that an impairment loss recognised for an asset no longer exists or has decreased, the recoverable amount is estimated and compared to the carrying amount. If there has been a change in the estimates used to determine an asset's recoverable amount since the last impairment loss was recognised, the carrying amount of the asset is increased to the recoverable amount, not exceeding the carrying amount of the asset (net of depreciation or amortisation) that it would have had if impairment loss had not previously been recognised. Such reversals of impairment losses are credited to profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Income tax

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

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current and deferred tax assets and liabilities are offset if, and only if, the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met :-

- in the case of current tax assets and liabilities, the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously ; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either :-
  - the same taxable entity ; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities in a net basis or realise and settle simultaneously.



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

### (j) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of statement of cash flows, bank overdrafts, if any, that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents.

### (k) Related parties

(a) A person, or a close member of that person's family, is related to the Company if that person :-

- (i) has control or joint control over the Company ;
- (ii) has significant influence over the Company ; or
- (iii) is a member of the key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions applies :-

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and any cost directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives at annual rate of 20%.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

### (m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

### (n) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably. Revenue on interest income is recognised on a time apportionment basis on the principal outstanding and at the rate applicable.

## 3. TURNOVER

There was no turnover during the current and preceding years.

## 4. BENEFITS AND INTERESTS OF DIRECTOR

No benefits and interests of director required to be disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance was incurred for the current and preceding years.

**5. LOSS BEFORE TAX**

	<u>2018</u> HK\$	<u>2017</u> HK\$
Loss before tax is arrived at after charging :-		
Auditors' remuneration	5,200	5,200
Depreciation	3,496	3,495
Exchange loss, net	-	418
	=====	=====
and after crediting :-		
Bank interest income	1	2
Exchange gain, net	3,317	-
	=====	=====

**6. INCOME TAX**

- (a) No provision for any profits tax has been made in the financial statements as the director is of the opinion that there would be no assessable profits chargeable to profits tax in Hong Kong and any jurisdiction during the current and preceding years.

- (b) Reconciliation between actual tax expense and accounting loss at applicable tax rate is as follows :-

	<u>2018</u> HK\$	<u>2017</u> HK\$
Loss before tax	(24,323)	(28,261)
	=====	=====
Notional tax on loss before tax calculated at Hong Kong tax rate of 16.5%	(4,013)	(4,663)
Tax effect of :-		
- tax loss disallowed	3,436	4,086
- change in deferred tax not recognised	577	577
	=====	=====
Actual tax expense for the year	-	-
	=====	=====

- (c) Tax recoverable in the statement of financial position represents :-

	<u>2018</u> HK\$	<u>2017</u> HK\$
Provisional profits tax paid	-	7,227
	=====	=====

**7. INTEREST IN A SUBSIDIARY**

	<u>2018</u> HK\$	<u>2017</u> HK\$
Unlisted share, at cost	-	-
	=====	=====
Amount due from a subsidiary	448,679	448,679
	=====	=====

## 7. INTEREST IN A SUBSIDIARY (continued)

The amount due from a subsidiary during the year and at the year end was unsecured, non-interest bearing and without fixed repayment terms.

Details of the subsidiary as at 31 March 2018 were as follows :-

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Description of shares held</u>	<u>Percentage held</u>		<u>Principal activities</u>
			<u>2018</u>	<u>2017</u>	
戈飛紡織品（上海）有限公司	The People's Republic of China ("PRC")	Paid-up capital	100%	100%	Manufacturing and trading of garment

戈飛紡織品（上海）有限公司 was incorporated in the PRC as a foreign equity enterprise on 9 August 2013 with a registered capital of RMB1,000,000. As at 31 March 2018, no capital was paid up by the Company.

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of Bang Overseas Limited, which prepares consolidated financial statements in accordance with accounting standards other than HKFRSs or International Financial Reporting Standards.

## 8. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$
Cost :-	
At 1 April 2016, at 31 March 2017 and at 31 March 2018	17,476
Accumulated depreciation :-	
At 1 April 2016	10,485
Charge for the year	3,495
At 31 March 2017	13,980
Charge for the year	3,496
At 31 March 2018	17,476
Net book value :-	
At 31 March 2018	-
At 31 March 2017	3,496



**9. OTHER PAYABLE**

The Company received the amount of US\$205,000 from a trade partner in 2013 for buying fabrics. However, due to the change in market condition, the buying was postponed and the balance of HK\$244,223 remained unsettled at the end of the reporting period. The director confirmed that this balance will be settled within the coming year.

**10. RECEIPT IN ADVANCE**

	<u>2018</u> HK\$	<u>2017</u> HK\$
Receipt in advance	26,531	100,804
	=====	=====

The Company entered into a settlement arrangement with the creditor and two debtors, in which the parties agreed to set off the receipt in advance of HK\$74,273 against the two trade receivables balances.

**11. SHARE CAPITAL**

	<u>2018</u> HK\$	<u>2017</u> HK\$
Issued and fully paid :-		
245,000 ordinary shares with no par value	245,000	245,000
	=====	=====

**12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to various kinds of risks in its operation and financial instruments. In general, the Company is exposed to credit and interest rate risks and its principal financial instruments are bank balances, trade and other receivables and payables and amount due from a subsidiary which arise directly from its business operations and activities. The Company has no written risk management policies and guidelines and its risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Company by closely monitoring and limiting the individual risk exposure.

**13. CAPITAL MANAGEMENT**

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to owners of parent, comprising share capital and retained earnings. The Company has no written capital risk management policies and guidelines and the Company manages its capital mainly to ensure the Company will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. The Company's overall strategy has remained unchanged from 2017.

**14. IMMEDIATE AND ULTIMATE HOLDING COMPANY**

The sole director considers the immediate and ultimate holding company of the Company to be Bang Overseas Limited, which was incorporated in India.

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the sole director on **30 MAY 2018**