

BANG HK LIMITED

2021

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 2021

CONTENTS	PAGES
Report of the Director	1 and 2
Independent Auditor's Report	3 to 6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 to 21

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 2021.

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 10 to the financial statements.

RESULTS AND DIVIDENDS

The financial performance and cash flows of the Company for the year ended 31 March 2021 and the financial position of the Company at that date are set out in the financial statements on pages 7 to 21.

The director does not recommend the payment of a dividend in respect of the year ended 31 March 2021.

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.

PERMITTED INDEMNITY PROVISIONS

No permitted indemnity provision for the benefit of the director of the Company is currently in force and was in force throughout the year.

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, 29 JUN 2021

**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 21, which comprise the statement of financial position as at 31 March 2021, 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 the 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 2021, 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\$204,456 (2020: HK\$204,456) 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 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 2021 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 2020.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) 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.

- 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, 29 JUN 2021

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 2021
(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Turnover	3	-	-
Other income		1,430	268
Operating expenses		(20,758)	(29,039)
Finance costs	6	(4)	-
Loss before tax	5	<u>(19,332)</u>	<u>(28,771)</u>
Income tax	7(a)	-	-
Loss for the year		<u>(19,332)</u>	<u>(28,771)</u>
Other comprehensive expense for the year		-	-
Total comprehensive expense for the year		<u><u>(19,332)</u></u>	<u><u>(28,771)</u></u>

The notes on pages 11 to 21 form part of these financial statements.

BANG HK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
ASSETS			
Non-current assets			
Interest in a subsidiary	10	-	-
Property, plant and equipment	9	-	-
		<u>-</u>	<u>-</u>
Current assets			
Amount due from a subsidiary	10	204,456	204,456
Cash at bank		87,915	107,247
		<u>292,371</u>	<u>311,703</u>
Current liabilities			
Accruals		8,100	8,100
Receipt in advance	8	26,531	26,531
		<u>34,631</u>	<u>34,631</u>
Net current assets		<u>257,740</u>	<u>277,072</u>
NET ASSETS		<u>257,740</u>	<u>277,072</u>
CAPITAL AND RESERVES			
Share capital	11	245,000	245,000
Accumulated profits		12,740	32,072
		<u>257,740</u>	<u>277,072</u>

Approved and authorised for issue by the sole director on 29 JUN 2021



Bang Brijgopal Balaram
Sole director

The notes on pages 11 to 21 form part of these financial statements.

BANG HK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021
(Expressed in Hong Kong dollars)

	Share <u>capital</u> HK\$	Accumulated <u>profits</u> HK\$	<u>Total</u> HK\$
Balance at 1 April 2020	245,000	60,843	305,843
Total comprehensive expense for the year ended 31 March 2020	-	(28,771)	(28,771)
Balance at 31 March 2020	<u>245,000</u>	<u>32,072</u>	<u>277,072</u>
Total comprehensive expense for the year ended 31 March 2021	-	(19,332)	(19,332)
Balance at 31 March 2021	<u>245,000</u> =====	<u>12,740</u> =====	<u>257,740</u> =====

The notes on pages 11 to 21 form part of these financial statements.

BANG HK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021
(Expressed in Hong Kong dollars)

	<u>2021</u> HK\$	<u>2020</u> HK\$
Cash flows from operating activities		
Loss before tax	(19,332)	(28,771)
Adjustment for :-		
Bank interest income	(1)	(268)
Operating loss before changes in working capital	<u>(19,333)</u>	<u>(29,039)</u>
Decrease in accruals	-	(4,300)
Net cash used in operating activities	<u>(19,333)</u>	<u>(33,339)</u>
	-----	-----
Cash flows from investing activity		
Bank interest income	1	268
Net cash generated from investing activity	<u>1</u>	<u>268</u>
	-----	-----
Net decrease in cash and cash equivalents	<u>(19,332)</u>	<u>(33,071)</u>
Cash and cash equivalents at the beginning of the year	107,247	140,318
Cash and cash equivalents at the end of the year	<u>87,915</u>	<u>107,247</u>
	=====	=====
Analysis of the balance of cash and cash equivalents		
Cash at bank	<u>87,915</u>	<u>107,247</u>
	=====	=====

The notes on pages 11 to 21 form part of these financial statements.

BANG HK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
(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 subsidiary are set out in note 10 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 HKFRSs has issued a number of 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 or revised standard 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) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have been within three months of maturity at acquisition.

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. Cash and cash equivalents are assessed for expected credit losses in accordance with the policy set out in note 2(m).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(m)).

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.

(g) Other receivables

A receivable is recognised when the Company's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(h) Other payables

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.

(i) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Related parties (continued)

(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).
- (viii) The entity, or any member of a Company of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(j) Translation of foreign currencies

Foreign currency transactions during the year 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 and 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 term of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Provisions and contingent liabilities

Provisions are 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 time value of money is material, provisions are the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) 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.

(m) Impairment of assets

(i) Impairment loss on financial assets

The Company recognises loss allowances for expected credit loss ("ECL") on other receivables measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(i) Impairment loss on financial assets (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or (2) the financial asset is more than 180 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(ii) Impairment loss on non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than property carried at revalued amounts); and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(ii) Impairment loss on non-financial assets (continued)

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(n) Income tax

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

Current tax is the expected tax payable on the taxable income for the period, 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.

Apart from certain limited exceptions 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 asset 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Income tax (continued)**

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, 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 on a net basis or realise and settle simultaneously.

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 and part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation was incurred for the current and preceding years.

5. LOSS BEFORE TAX

	<u>2021</u> HK\$	<u>2020</u> HK\$
Loss before tax is arrived at after charging :-		
Auditors' remuneration	3,920	3,920
Exchange loss, net	-	2,007
	=====	=====
and after crediting :-		
Bank interest income	1	268
Exchange gain, net	1,429	-
	=====	=====

6. FINANCE COSTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Bank overdraft interest	4	-
	=====	=====

7. 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>2021</u> HK\$	<u>2020</u> HK\$
Loss before tax	(19,332)	(28,771)
	=====	=====
Notional tax on loss before tax calculated at Hong Kong tax rate of 16.5%	(3,190)	(4,747)
Tax effect of :-		
- tax loss disallowed	3,190	4,791
- non-taxable income	-	(44)
	=====	=====
Actual tax expense for the year	-	-
	=====	=====

- (c) No deferred tax has been provided for in the financial statements as the Company did not have any significant temporary differences which gave rise to a deferred tax asset or liability at the end of reporting period.

8. RECEIPT IN ADVANCE

	<u>2021</u> HK\$	<u>2020</u> HK\$
Receipt in advance	26,531	26,531
	=====	=====

The Company received an advance commission of HK\$100,804 from a customer in 2015 to offset future orders. However, due to the change in market condition, no transaction was carried out and the balance was remained unsettled.

9. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$
Cost :-	
At 1 April 2019, at 31 March 2020 and at 31 March 2021	17,476
Accumulated depreciation :-	
At 1 April 2019, at 31 March 2020 and at 31 March 2021	(17,476)
Net book value :-	
At 31 March 2021	-
At 31 March 2020	-

10. INTEREST IN A SUBSIDIARY

	<u>2021</u> HK\$	<u>2020</u> HK\$
Unlisted share, at cost	-	-
Amount due from a subsidiary	204,456	204,456

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 2021 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>2021</u>	<u>2020</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 2021, 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.

11. SHARE CAPITAL

	<u>2021</u> HK\$	<u>2020</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 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, so that it can maximise the return to shareholder through the optimisation of the debt and equity balance. The Company's overall strategy has remained unchanged from 2020.

14. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

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

