

INFOTOP SINGAPORE PTE. LTD.  
(Incorporated in Singapore)

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

**R NITHIANANTHAM & CO**  
CERTIFIED PUBLIC ACCOUNTANTS, SINGAPORE

**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Directors' Report  
and  
Audited Financial Statements  
For the year ended 31 December 2011**

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**Report of the Directors**

The directors present their report to the members together with the audited financial statements of the company for the financial year ended 31 December 2011.

1. **Directors**

The directors in office at the date of this report are:

Yosuke Matsumoto  
Swee Mei Ling

2. **Arrangements to enable directors to acquire shares or debentures**

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

3. **Directors' interests in shares or debentures**

The directors who held office at the end of the financial year had no interest in the share capital and debentures of the Company according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act.

4. **Directors' contractual benefits**

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

5. **Share Option**

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

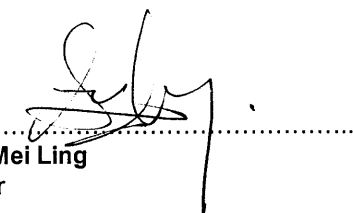
6. **Auditors**

Messrs R Nithianantham & Co have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,



.....  
**Yosuke Matsumoto**  
Director



.....  
**Swee Mei Ling**  
Director

Singapore,  
Date: - 2 MAR 2012


**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Statement by the Directors**

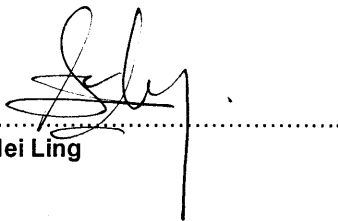
We, Yosuke Matsumoto and Swee Mei Ling, being two of the Directors of Infotop Singapore Pte. Ltd., do hereby state that, in the opinion of the Directors:

- (i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto, are drawn up so as to exhibit a true and fair view of the state of affairs of the company as at 31 December 2011 and of the results of the business, changes in equity and cash flows of the company for the year ended on that date, and
- (ii) 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.

On behalf of the Board of Directors,



.....  
**Yosuke Matsumoto**  
Director



.....  
**Swee Mei Ling**  
Director

Singapore,  
Date: - 2 MAR 2012

**R NITHIANANTHAM & CO**  
Certified Public Accountants

51 Anson Road,  
#07-51 Anson Centre  
Singapore 079904  
Tel: 6226 5598  
Fax: 6226 5589  
Email: sr.nithi@pacific.net.sg

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

We have audited the accompanying financial statements of Infotop Singapore Pte. Ltd. (the "Company") which comprise the statement of financial position of the company as at 31 December 2011, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**R Nithianantham & Co**  
**Certified Public Accountants**

*Opinion*

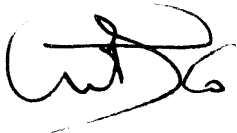
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011 and the results, changes in equity and cash flows of the Company for the year ended on that date.

*Other matter*

The financial statements of Infotop Singapore Pte. Ltd. for the year ended 31 December 2010 were audited by another auditor. The auditors' report dated 28 March 2011 expressed a except for the effects of such adjustments opinion on those financial statements.

*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.



**R NITHIANANTHAM & CO**  
Public Accountants and  
Certified Public Accountants

Singapore,  
Date: - 2 MAR 2012

**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Statement of Financial Position as at 31 December 2011**

	Note	2011 S\$	2010 S\$
<b>Share capital</b>	3	100,000	100,000
<b>Retained earnings</b>		313,893	340,686
		<u>413,893</u>	<u>440,686</u>
<b>Represented by</b>			
<b>Current Assets</b>			
Trade and other receivables	4	91,892	3,896,491
Prepayment		1,000	1,000
Amount due from related party	5	-	1,245,873
Fixed deposit	6	-	130,034
Cash at bank		592,966	1,059,959
		<u>685,858</u>	<u>6,333,357</u>
<b>Less Current Liabilities</b>			
Trade payables		268,965	5,561,394
Amount due to related party	5	-	323,766
Accruals		3,000	3,100
Provision for income tax		-	4,411
		<u>271,965</u>	<u>5,892,671</u>
<b>Net Current Assets</b>		<u>413,893</u>	<u>440,686</u>
<b>Net Assets</b>		<u>413,893</u>	<u>440,686</u>

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

**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Statement of Comprehensive Income for the year ended 31 December 2011**

	Note	2011 S\$	2010 S\$
<b>Revenue</b>	7	-	4,709,603
Interest earned		-	8
<b>Items of expense</b>			
Commission	8	-	(2,318,568)
Agent fee	9	-	(940,614)
Gateway fees	10	(11,724)	(1,029,462)
Loss on exchange		(6,532)	(337,680)
Staff cost		(1,500)	(2,250)
Other operating expenses		(7,919)	(24,139)
Profit/(loss) before tax	11	(27,675)	56,898
Income tax expense	12	882	(15,114)
Profit/(loss) before tax		(26,793)	41,784
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(26,793)	41,784

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



**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Statement of changes in equity for the year ended 31 December 2011**

	<b>Share Capital S\$</b>	<b>Accumulated Profit/(loss) S\$</b>	<b>Total S\$</b>
Balance at 31 December 2009	100,000	298,902	398,902
Total comprehensive income for the year	-	41,784	41,784
Balance at 31 December 2010	100,000	340,686	440,686
Total comprehensive loss for the year	-	(26,793)	(26,793)
Balance at 31 December 2011	<u>100,000</u>	<u>313,893</u>	<u>413,893</u>

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

**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Statement of Cash Flows for the year ended 31 December 2011**

	Note	2011 S\$	2010 S\$
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation		(27,675)	56,898
Adjustments for:			
Interest earned		-	(8)
<b>Operating profit/(loss) before working capital changes</b>		<u>(27,675)</u>	<u>56,890</u>
(Increase)/decrease in trade and other receivables		5,050,472	(4,231,763)
Increase/(decrease) in trade and other payables		(5,616,295)	4,001,136
Income tax paid		<u>(3,529)</u>	<u>(41,192)</u>
<b>Net cash (used in)/generated from operating activities</b>		<u>(597,027)</u>	<u>(214,929)</u>
<b>Cash flows from investing activities</b>			
Interest earned		-	8
<b>Net cash (used in)/generated from investing activities</b>		<u>-</u>	<u>8</u>
<b>Cash flows from financing activities</b>			
Fixed deposit pledged for banking facilities		130,034	10,605
<b>Net cash (used in)/generated from financing activities</b>		<u>130,034</u>	<u>10,605</u>
Net increase/(decrease) in cash and cash equivalents		(466,993)	(204,316)
Cash and cash equivalents at beginning of year		<u>1,059,959</u>	<u>1,264,275</u>
<b>Cash and cash equivalents at end of year</b>	13	<u><u>592,966</u></u>	<u><u>1,059,959</u></u>

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

**INFOTOP SINGAPORE PTE. LTD.**  
(Incorporated in Singapore)

**Notes to the financial statements – 31 December 2011**

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

- 2 MAR 2012

The financial statements were authorised for issue by the Directors on .....

**1. Corporate information**

The company (registration no. 200804066N) is a limited liability company, which is incorporated in Singapore and the registered office of the company is located at 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906.

The principal activity of the company is to earn commission by providing e-payment solution and settlement services. There was no business activity during the financial year.

The Company's holding Company is Ugrand Universal Limited, a company incorporated in Hong Kong.

**2. Significant Accounting Policies**

**2.1 Basis of financial statements presentation**

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act.

The financial statements expressed in Singapore dollars are prepared in accordance with the historical cost convention except for as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs 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 amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis.

The management does not expect the estimates and the associated assumptions used at the statement of financial statement date to have any significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities.

During the financial year the company adopted all the applicable new/revised FRS's. which are effective on or before 1 January 2011. The adoption of these new/revised FRS's did not have any material effect on the company's financial statements and did not result in substantial changes to the company's accounting policies.

Certain new accounting standards, amendments and interpretations to existing standards have been published and they are mandatory for the Company's accounting periods beginning on or after 1 January 2012 or later periods which the Company has not early adopted. The Company does not expect that the adoption of these accounting standards and interpretations will have a material impact on the Company's financial statements.

## 2.2 **Functional and foreign currency**

### *Functional currency*

Management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be Singapore Dollars (SGD).

### *Foreign currency transactions*

Transactions in foreign currencies are measured and recorded in Singapore dollars using the exchange rate in effect at the date of the transaction. At each statement of financial position date, recorded monetary balances that are denominated in a foreign currency are adjusted to reflect the rate at the statement of financial position date. All exchange adjustments are taken to the income statement account.

## 2.3 **Financial assets**

Financial assets are classified as either financial assets at fair value through statement of comprehensive income, loans and receivables, held-to-maturity investments or available-for-sale financial assets depending on the purpose of which the assets are acquired. Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are recognised initially at fair value, plus, in the case of financial assets not at fair value through statement of comprehensive income, directly attributable transaction costs. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at the end of the financial year where allowed and appropriate.

### **Loans and receivables**

- (i) Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified within "trade and other receivables", "fixed deposits" and "cash and bank balances" on the statement of financial position.

- (ii) **Other financial assets**

The Company does not have financial assets at fair value through statement of comprehensive income, held-to-maturity investments and available-for-sale financial assets.

### **Impairment of financial assets**

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

### **Assets carried at amortised cost**

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the statement of comprehensive income to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### **Derecognition of financial assets**

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

## **2.4 Financial liabilities**

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

## **2.5 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to statement of comprehensive income unless it reverses a previous revaluation which had been credited to equity, in which case, it is charged to equity.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. 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, net of depreciation or amortisation, if no impairment loss had been recognised.

## 2.6 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## 2.7 Employee benefits

As required by law, the company in Singapore makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as the employment that given rise to the contribution.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to statement of financial position date.

## 2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits.

## 2.9 Revenue recognition

Revenue is recognised upon the completion of services rendered.

## 2.10 Income Tax

### *Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the statement of financial position date.

### *Deferred tax*

Deferred income tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 statement of financial position date.

## 2.11 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they have common directors or shareholders with the Company.

## 2.12 Interest income

Interest income from time deposits is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable.

## 3. Share Capital

	2011 S\$	2010 S\$
<b>Ordinary shares issued and fully paid</b>		
100,000 ordinary shares	<u>100,000</u>	<u>100,000</u>

The holders of ordinary shares are entitled to received dividends as and when declared by the company. All ordinary share carry one vote per share without restriction. The ordinary shares have no par value.

## 4. Trade and other receivables

	2011 S\$	2010 S\$
Trade receivables	-	3,375,417
Other receivables	<u>91,892</u>	<u>521,074</u>
Total trade and other receivables	<u>91,892</u>	<u>3,896,491</u>

### Receivables that are past due but not impaired

The Company has trade receivables amounting to S\$nil (2010 – S\$3,375,417/-) that are past due at the end of the reporting period but not impaired. These receivables are unsecured.

## 5. Amount due to/due from related party

The amounts owing are unsecured, interest free and payable on demand.

## 6. Fixed deposit

The bank has the right to set-off amounts owing against fixed deposit up to US\$nil (2010 – US\$100,700/-).

## 7. Revenue

Revenue represents commission income upon providing e-payment solution and settlement services.

## 8. Commission

Commission represents commission expenses paid to collecting agent upon the e-payment solution and settlement services.

## 9. Agent fee

Agent fee represents expenses paid to agent for handling the buyers.

10. **Gateway fees**

In 2010, the Company has entered into ECP Relationship Management Partner Agreement with E-Credit Plus Pte Ltd. The agreement state that,

The Company shall pay E-Credit Plus Pte Ltd 95% of the Company yearly net income in respect of every referred merchant/business the yearly net income upon receipt and verification of an invoice from the E-Credit Plus Pte Ltd.

11. **Profit/(loss) before tax**

	2011 S\$	2010 S\$
This is stated after charging/(crediting):		
Audit fee	3,000	6,200
Exchange loss	6,532	337,680
Interest income	-	(8)
<b>Staff cost</b>		
Director's fee	1,500	2,250

12. **Income tax**

	2011 S\$	2010 S\$
Current income tax	-	4,411
Tax rebate for year of assessment 2011	(882)	-
Under provision in prior year	-	10,703
	<u>(882)</u>	<u>15,114</u>
<b>Reconciliation of tax expense as follows:-</b>		
Profit/(loss) before taxation	<u>(27,675)</u>	<u>56,898</u>
Taxation at statutory rate of 17%	(4,705)	9,672
Expenses disallowed for tax	4,705	-
Stepped income relief	-	(5,261)
Current income tax	<u>-</u>	<u>4,411</u>

13. **Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise the following:

	2011 S\$	2010 S\$
Fixed deposit with bank - in USD	-	130,034
Cash at bank - in USD	583,636	864,847
Cash at bank - in JPY	2,478	182,089
Cash at bank - in Euro	3,399	3,457
Cash at bank - in SGD	3,453	9,566
	<u>592,966</u>	<u>1,189,993</u>
Less: Fixed deposit pledged for banking facilities	-	130,034
	<u>592,966</u>	<u>1,059,959</u>



14. **Related Party Transaction**

	2011	2010
	S\$	S\$
Gateway fees	<u>-</u>	<u>1,021,758</u>

15. **Financial risk management objectives and policies**

The Company is exposed to interest rate, foreign currency, credit and liquidity risks. The Company's risk management approach seeks to minimise any potential adverse impact of these exposures.

***Interest risk***

The Company's exposure to market risk for changes in the interest rate environment principally relates to its investments in financial products.

The investment in financial products mainly represents surplus funds placed with reputable financial institutions as short-term deposits at the most favourable interest rates available.

***Foreign currency risk***

The Company is exposed to the effects of foreign currency exchange rate fluctuations, primarily in relation to the Japanese Yen and United States Dollar.

Whenever possible, the Company seeks to maintain a natural hedge through the matching of liabilities, including borrowings, against assets in the same currency or against the entity's functional currency, in particular its future revenue stream. Transactional exposures in currencies other than the entity's functional currency are kept to a minimal level.

***Credit risk***

Credit risk is that counterparties will be unable to meet their obligations resulting in financial loss to the Company. It is the Company's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risks. The Company's maximum exposure to credit risk in the event the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position. As at financial year end there was no significant concentration of credit risk to the Company.

***Liquidity risk***

The Company's cash and bank deposits are actively managed to ensure that there is adequate working capital and that repayment and funding needs are met.

***Fair values***

The net fair value of the financial assets and liabilities of the company approximate their carrying amounts at the statement of financial position date.

***Capital risk***

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.