KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

REGISTERED OFFICE:
101 Cecil Street
#09-01 Tong Eng Building
Singapore 069533

INCOME TAX REFERENCE NO: 200809977K

UNITED STATES ($) CURRENCY

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

The directors present their statement together with the audited financial statements of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** (the "Company") and its subsidiary (the "Group") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Group and Company are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group and Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS' RESPONSIBILITY

We, the directors of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** do hereby state that, we are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards. The responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of profit or loss and other comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies;

(c) making accounting estimates that are reasonable in the circumstances; and

(d) assessing the risk of fraud and communicate to governing body on outcome of those assessment.

3. DIRECTORS

The directors of the Company at the date of this report are:

MITESH KOTHARI
SOMESH GANERIWAL
KOTHARI APURVA ATULBHAI

4. 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 was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

5. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholding kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), and the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
The Company	01.04.2020	31.03.2021	01.04.2020	31.03.2021
Kothari Apurva Atulbhai	20	20	-	-
Ultimate Holding Company				
Kothari Products Limited	10,000,000	10,000,000	-	-
Deepak Kothari	-	-	16,576,596	16,576,596

6. SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

7. AUDITOR

The Independent Auditor, T. Ravi & Co., Public Accountant and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of The Board of Directors,

SOMESH GANERIWAL

KOTHARI APURVA ATULBHAI

Singapore,
11 JUN 2021

T Ravi & Co
Chartered Accountants

101 Cecil Street
#24-10 Tong Eng Building
Singapore 069533

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the financial statements of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** (the "company") and its subsidiary (the "group"), which comprise the statements of financial position of the Group and of the Company as at **31 March 2021**, and the statements of profit or loss and other comprehensive income, statement of changes in equity of the Group and of the Company and consolidated statement of cash flows of the Group and statement of cashflows of the company for the year then ended, including a summary of significant accounting policies and other explanatory information as set out on pages 9 to 59.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the group & company as at **31 March 2021**, and of the financial performance, changes in equity and the cash flows of the group & company for the year ended on that date.

Basis for Qualified Opinion

The investee company applied for strike off and it was gazetted on 13 April 2021 which subsequently suspended the strike off action on 14 May 2021. We are unable to verify the valuation of investee company against the value stated in the financial statements of the group as at 31 March 2021.

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 2 to 4), but does not include the financial statements and our auditors report thereon.

T Ravi & Co
Chartered Accountants

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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- Identify and assess the risks of material misstatement of 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 polices used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company, which are incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

T Ravi & Co.,
Public Accountants and
Chartered Accountants of Singapore.

Singapore.

11 June 2021.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY

(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 March 2021

	Note	Group 2021 $	Group 2020 $
ASSETS AND LIABILITIES			
Non-current assets			
Investments in unquoted shares	5	800,000	788,040
Property, plant and equipment	6	2,265,935	2,309,944
		3,065,935	3,097,984
Current assets			
Trade receivables	7	14,611,350	35,990,294
Other receivables	8	2,540,486	2,542,840
Cash and bank balances	9	443,454	6,122,127
		17,595,290	44,655,261
Less: current liabilities			
Trade payables	10	1,994,502	13,389,234
Other payables	12	940,048	168,409
Term loan, secured	13	89,028	95,528
Bank borrowings, secured	14	-	11,838,858
Provision for taxation	15	-	89,715
		3,023,578	25,581,744
Net current assets		14,571,712	19,073,517
Non-current liability			
Term loan, secured	13	1,709,707	1,726,496
Net assets		15,927,940	20,445,005
Equity			
Share capital	16	7,614,662	7,614,662
Retained earnings		8,410,538	12,939,638
Translation reserve		(97,260)	(109,295)
		15,927,940	20,445,005

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

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF FINANCIAL POSITION
For the financial year ended 31 March 2021

	Note	Company 2021 $	Company 2020 $
ASSETS AND LIABILITIES			
Non-current assets			
Investment in subsidiary	4	76,629	76,629
Property, plant and equipment	6	2,265,935	2,309,944
		2,342,564	2,386,573
Current assets			
Trade receivables	7	14,611,350	35,990,294
Other receivables	8	2,540,486	2,542,840
Cash and bank balances	9	434,746	6,115,943
		17,586,582	44,649,077
Less: current liabilities			
Trade payables	10	1,994,502	13,389,234
Amount owing to subsidiary company	11	93,407	658,903
Other payables	12	936,061	160,000
Term loan, secured	13	89,028	95,528
Bank borrowings, secured	14	-	11,838,858
Provision for taxation	15	-	89,715
		3,112,998	26,232,238
Net current assets		14,473,584	18,416,839
Non-current liability			
Amount owing to subsidiary company	11	555,555	-
Term loan, secured	13	1,709,707	1,726,496
		2,265,262	1,726,496
Net assets		14,550,886	19,076,916
Equity			
Share capital	16	7,614,662	7,614,662
Retained earnings		6,936,223	11,462,254
		14,550,885	19,076,916

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2021

	Notes	Group 2021 $	Group 2020 $
Revenue	17	33,176,706	101,510,560
Direct costs - purchases and incidentals	18	(32,604,462)	(99,950,741)
Other income	19	49,196	157,513
Allowance for doubtful debts	7	(1,505,187)	-
Bad debts	7	(2,950,893)	-
Staff costs	20	(352,590)	(383,149)
Depreciation expenses	6	(51,152)	(51,812)
Operating lease rental		-	(68,434)
Finance costs		(200,999)	(507,305)
Other operating expenses		(80,071)	(163,271)
Net (loss) / profit before taxation	22	(4,519,452)	543,361
Income tax	15	(9,648)	(87,384)
Net (loss) / profit for the year		(4,529,100)	455,977
Other comprehensive income		-	-
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive (loss) / income for the year		(4,529,100)	455,977

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	Note	Company 01-04-2020 to 31-03-2021 $	Company 01-04-2019 to 31-03-2020 $
Revenue	17	33,176,706	101,510,560
Direct costs – purchases and incidentals	18	(32,604,462)	(99,950,741)
Other income	19	49,196	157,513
Allowance for doubtful debts	7	(1,505,187)	-
Bad debts		(2,950,893)	-
Staff cost inclusive of directors' remuneration	20	(352,590)	(383,149)
Depreciation expenses	6	(51,152)	(51,812)
Operating lease rental		-	(68,434)
Finance costs		(200,999)	(507,305)
Other operating expenses		(77,002)	(155,325)
Net (loss) / Profit before taxation	22	(4,516,383)	551,307
Income tax	15	(9,648)	(87,384)
Net (loss) / Profit for the year		(4,526,031)	463,923
Other comprehensive income		-	-
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive (loss)/ income for the year		(4,526,031)	463,923

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2021

GROUP

	Issued Share Capital	Translation reserve	Retained earnings	Total
	$	$	$	$
At 01 April 2019	7,614,662	(69,131)	12,483,661	20,029,192
Translation reserve arising during the year	-	-	455,977	455,977
Total comprehensive loss for the year	-	(40,164)	-	(40,164)
At 31 March 2020	7,614,662	(109,295)	12,939,638	20,445,005
Total comprehensive loss for the year	-	-	(4,529,100)	(4,529,100)
Translation reserve arising during the year	-	12,035	-	12,035
At 31 March 2021	7,614,662	(97,260)	8,410,538	15,927,940

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2021

COMPANY

	Issued share capital $	Retained earnings $	Total $
At 01 April 2019	7,614,662	10,998,331	18,612,993
Total comprehensive income for the year	-	463,923	463,923
At 31 March 2020	7,614,662	11,462,254	19,076,916
Total comprehensive loss for the year	-	(4,526,031)	(4,526,031)
At 31 March 2021	7,614,662	6,936,223	14,550,885

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2021

GROUP

	Group 2021 $	Group 2020 $
Cash flows from operating activities		
(Loss)/Profit before income tax	(4,519,452)	543,361
Exchange difference arising out of consolidation	12,035	(40,164)
Depreciation	51,152	51,812
Interest expenses	48,520	507,305
Interest income	(3,108)	(72,866)
Operating cash (outflows)/inflows before working capital changes	(4,410,853)	989,448
Working capital changes:		
Trade and other receivables	21,381,298	1,544,202
Trade and other payables	(10,623,093)	9,904,846
Fixed deposit placed under lien	5,438,115	(44,231)
Cash generated from operations	11,785,467	12,394,265
Income tax paid	(99,363)	(74,755)
Interest expenses	(48,520)	(507,305)
Interest income	3,108	72,866
Net cash generated from operating activities	11,640,692	11,885,071
Cash flows from investing activities		
Purchase of plant and equipment	(7,143)	(10,551)
Investment in unquoted shares	(11,960)	39,925
Net cash (outflows)/inflows from investing activities	(19,103)	29,374
Cash flows from financing activities		
Proceeds from bank	(11,862,147)	(12,439,728)
Net cash (outflows) from financing activities	(11,862,147)	(12,439,728)
Net (decrease) in cash and cash equivalents	(240,558)	(525,283)
Cash and cash equivalents at beginning of the year	684,012	1,209,295
Cash and cash equivalents at the end of the year	443,454	684,012

The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 5-8.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2021

NOTES TO STATEMENT OF CASH FLOWS

a) Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group 2021 $	Group 2020 $
Cash and bank balances	443,454	6,122,127
FD restricted	-	(5,438,115)
	443,454	684,012

Fixed deposits amounting to $NIL/- (2020: $5,438,115/-) is not taken into as cash and cash equivalent bank for the purpose of cash flow statement.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2021

COMPANY

	Company 2021 $	Company 2020 $
Cash flows from operating activities		
(Loss)/Profit before income tax	(4,516,383)	551,307
Depreciation	51,152	51,812
Interest expenses	48,520	507,305
Interest income	(3,108)	(72,866)
Operating cash (outflows)/inflows before working capital changes	(4,419,819)	1,037,558
Working capital changes:		
Trade and other receivables	21,381,298	1,544,202
Trade and other payables	(10,618,670)	9,902,949
Fixed deposit placed	5,438,115	(44,231)
Cash generated from operations	11,780,924	12,440,478
Income tax paid	(99,363)	(74,755)
Interest expenses	(48,520)	(507,305)
Interest income	3,108	72,866
Net cash generated from operating activities	11,636,149	11,931,284
Cash flows from investing activities		
Purchase of plant and equipment	(7,143)	(10,551)
Net cash (outflows) from investing activities	(7,143)	(10,551)
Cash flows from financing activities		
Amount owing to subsidiary company	(9,941)	(5,599)
Proceeds from bank	(11,862,147)	(12,439,727)
Net cash (outflows) from financing activities	(11,872,088)	(12,445,326)
Net (decrease) in cash and cash equivalents	(243,082)	(524,593)
Cash and cash equivalents at beginning of the year	677,828	1,202,421
Cash and cash equivalents at the end of the year	434,746	677,828

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2021

NOTES TO STATEMENT OF CASH FLOWS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Company 2021 $	Company 2020 $
Cash and bank balances	434,746	6,115,943
FD restricted	-	(5,438,115)
	434,746	677,828

Fixed deposits amounting to **$NIL/-** (2020: $**5,438,115**/-) is not taken into as cash and cash equivalent bank for the purpose of cash flow statement.

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

1. GENERAL

The company is a limited liability company which is incorporated in the Republic of Singapore with its registered office at 101 Cecil Street, #09-01 Tong Eng Building, Singapore 069533.

The principal activities of the company are those of business in general wholesale trade (including imports and exports), business management and consultancy services and other general trade. The particulars of subsidiary given in note no.4 to the financial statement.The company had 2 employees at the end of the financial year excluding the directors.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements which are expressed in United States Dollars are prepared in accordance with the historical cost convention and/or as modified to its fair value and in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council and the disclosure requirements of the Singapore Companies Act Chapter 50.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgment and complexity, are disclosed elsewhere in this financial statements.

The company adopted the new or revised FRS and interpretations to FRS (INT FRS) that are applicable in the current financial year. The adoption of this FRS/INT FRS did not result in substantial changes to the company's accounting policies. The directors anticipate that the adoption of FRS and INT FRSs that have issued but not yet effective until future periods will not have any material impact on the financial statements of the company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for financial periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on financial performance or position of the Company.

(b) Standards issued but not yet effective

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

	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendment to FRS 116 : *Covid-19 Related Rent Concessions*	1 June 2020
Amendments to FRS 109 *Financial Instruments,*	
FRS 39 Financial Instruments Recognition and Measurement	1 January 2021
FRS107 Financial Instruments : Disclosures,	1 January 2021
FRS 104 Insurance contracts	1 January 2021
FRS 116 Leases : Interest rate Benchmark Reform – Phase 2	1 January 2021
Amenments to FRS 16 *Property, plant and equipment: Proceeds before intended use*	1 January 2022
Amendments to FRS 16 *Proceeds before intended use*	1 January 2022
Amendments to FRS 37 *Cost of fulfilling a contract*	1 January 2022
Annual improvements to FRS 2018 -2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial statements*: -Classification of liabilities as current or non-current	1 January 2023
Amendments to FRS 110 *Consolidated Financial statements* And FRS 28 *Investment in Associates and Joint Ventures-* Sale or contribution of Assets between an Investor and its Associates or Joint venture.	Date to be known.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 INVESTMENTS

Investments in subsidiaries, joint ventures and associated companies are stated at cost less accumulated impairment loss in the company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between net disposals proceeds and the carrying amount of the investment is taken to the income statement.

Subsidiaries
Subsidiaries are those entities in which the company, directly or indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

Subsidiaries are entities including special purpose entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

In preparing the consolidated financial statements, inter group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-Controlling interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary.

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

In such case, the excess and further losses applicable to the minority are attributed to the equity holders of the company, unless the minority has a binding obligation to, and is able to, make good the losses.

When that subsidiary subsequently reports profits, the profits applicable to the minority are attributed to the equity holders of the company until the minority's share of losses previously absorbed by the equity holders of the company has been recovered.

Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary.

The acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition -by-acquisition basis, the Group recognises any non-controlling interest in the acquired at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired and the acquisition-date fair value of any previous equity interest in the acquired over the fair value of the net identifiable assets acquired is recorded as goodwill. The excess of fair value of the net assets acquired over the consideration transferred is recorded as negative goodwill in statement of comprehensive income on the date of acquisition.

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Amount previously recognised in other comprehensive income in respect of that equity are also reclassified to statement of comprehensive income or transferred directly to retained earnings if required by a specific Standard.Any retained equity interest in the equity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in statement of comprehensive income.

Goodwill

Goodwill is measured at cost less accumulated impairment losses. Negative goodwill is recognised immediately in statement of comprehensive income. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the statement of comprehensive income on disposal.

Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the company.

Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies in the company's consolidated balance sheet include goodwill (net of accumulated amortisation) identified on acquisition, where applicable.

Equity accounting involves recording investments in associated companies initially at cost, and recognising the Group's share of its associated companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group share of losses in an associated company equals or exceeds its interests in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In applying the equity method of accounting, unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group. Unquoted investments held on a long-term basis are stated at cost.

Allowance is made for any diminution in value, which is considered to be permanent in nature. Unquoted investments held on a short-term basis are stated at the lower of cost and market value on an aggregate portfolio basis by category of investments. Dividend income is recorded gross on the date it is declared payable by the investee company.

2.3 INVESTMENT PROPERTIES

Investment properties are properties that are either owned by the Company or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties are recorded at cost and independent professional valuation is obtained at frequent intervals. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

2.4 PROPERTY, PLANT AND EQUIPMENT

(a) Measurement
Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

(b) Depreciation
Depreciation is calculated on a straight line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Property	50 years
Furniture and fittings	05 years
Office equipment	03 years
Office renovation	05 years
Computers	03 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Repairs and maintenance are taken into to the income statement during the financial period in which they are incurred.

When an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit/ (loss) from operations.

2.5 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.6 FINANCIAL INSTRUMENTS

a) Financial Assets
Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments
On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

2.7 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.8 LOANS AND RECEIVABLES

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and bank deposits and highly liquid investments, which are readily convertible to cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft, if any, which are repayable on demand and which form an integral part of the company's cash management. Restricted deposits are excluded from cash and cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 TRADE CREDITORS AND OTHER PAYABLES

Trade creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company and subsequently measured at amortised cost, using the effective interest method. Other payables and accruals are recognised when the Company has a legal or constructive obligation as a result of past events, that it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.11 PROVISIONS

General

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 FINANCIAL LIABILITIES

Financial liabilities at fair value through profit or loss are recognized initially at fair value. Financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition financial liabilities at fair value through profit or loss, including derivatives that are financial liabilities, are measured at fair value. Other financial liabilities not at fair value through profit or loss are measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss statement over the period of the borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Items classified within trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainly and settlement is short-term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 PROVISION FOR TAXATION

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

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

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Receivables and payables that are stated with the amount of GST included.

  The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.14 LEASES

a) As lessee

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis. Contingent rents are recognised as revenue in the period in which they are earned.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the company's equity holders and no gain or loss is recognised in the profit and loss statement.

2.16 REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivables and represents amount receivable for the services provided in the normal course of the Company's activities, net of discounts, sales related taxes and after eliminated sales within the group. The Company recognises revenue when the amount of revenue and related cost can be reliable measured, when it is probable that collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:-

(i) Revenue from sale of goods is recognised upon passage of title to the customer, which generally coincides with their delivery and acceptance.
(ii) Interest income is recognised on effective interest method and/or on accrued and payable basis, if any.
(iii) Income from management services, business development and consultancy services are recognised upon the rendering of services, if any.
(iv) Rental income from operating lease (net of any incentives given to the lessees) is recognised on a straight line basis over the lease terms, if any.
(v) Sale/Contract income from projects, if any.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer. Revenue excludes goods and services taxes or other sales taxes and is arrived at after deduction of trade discounts.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Profit on projects is recognised using the percentage of completion method. The percentage of completion is measured by reference to the costs incurred to date and the estimated total costs for each contract. Profits are recognised only in respect of finalised sales agreements and to the extent that such profits relate to the progress of the construction work.

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit and loss account by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is assessed by reference to surveys of work performed. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the profit and loss accounts.

Other Service income

Revenue from services is recognised when the company has delivered the service to the customer; the customer has accepted the services and collectibility of the related receivables is reasonably assured.

The Company recognises the expected volume rebates payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, they recognise a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

At the end of each reporting date, the Company updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Company also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods. The Company has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

a) Rental Income

Rental income from operating leases on investment properties and property, plant and equipment is recognised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 EMPLOYEE BENEFITS

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to balance sheet date.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the financial year to which they relate. Key management personnel of the company are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The Board of directors and the senior management team of the company are considered as key management personnel of the Company.

2.18 FINANCE COSTS

Interest expense and similar charges are expensed in the profit and loss statement on the period in which they are incurred, except to the extent that they are capitalised as being attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the profit and loss statement using the effective interest method.

2.19 FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The carrying values of current financial assets and financial liabilities including cash, accounts receivable, short-term borrowings, account payable approximate their values due to the short-term maturity of these instruments. The fair values of non-current financial instruments are not disclosed unless there are significant items at the end of the year and in the event the fair values are disclosed in the relevant notes. Disclosures of fair value are not made when the carrying amount is a reasonable approximation of fair value. The maximum exposure to credit risk is the fair value of the financial instruments at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 FOREIGN CURRENCY TRANSLATION

(1) Measurement currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the measurement currency").

The financial statements of the Company are presented in United States dollars which is the measurement currency of the Company.

(2) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the income statement.

2.21 RELATED PARTIES

A related party is defined as follows:

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 of a parent of the company;

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).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. If the company is itself such as plan, the sponsoring employers are also 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 group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

2.22 GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates, assumptions and judgements

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

Key sources of estimation uncertainty

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 period.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below:-

(i) Useful lives of Plant and Equipment

The Company reviews the estimated useful lives of plant and equipment at each year end. Management determined that the estimated useful lives of plant and equipment were appropriate and there was no revision for the financial year.

(ii) Income taxes

Significant judgment is required in determining the provision for unsettled trade receivables and deductibility of such amount from the income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provisions in the year in which such determination is made.

The carrying amount of company's tax liabilities at 31 March 2021 is $NIL/- (2020: $89,715/-).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(iii) Provisions for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default areas. The Company will calibrate the matrix to adjust historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changed in the forward looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(iv) Determination of functional currency

In determining the functional currency, judgement is required to determine the currency that mainly influences investment in the country whose competitive forces and regulations mainly determines the price. The functional currency of the company is determined based on management's assessment of the economic environment in which the entity operates and entity's process of determining sales prices. During the financial year the company decided to have United States Dollar as its functional currency.

(v) Revenue recognition

The management has considered the detailed criteria for the recognition of revenue from the sale of goods as set out is FRS 115 and in particular whether the company has transferred to the buyer the significant risks and rewards of ownership of goods. Revenue excludes goods and service taxes, if any, and is arrived at after deducting of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, the management is satisfied that the significant risks and rewards have been transferred and the recognition of revenue in the current year is appropriate.

4. INVESTMENT IN SUBSIDIARY - COMPANY

	2021	2020
	$	$
Unquoted equity investment, at cost	76,629	76,629

The detail of the subsidiary is as follows:-

Name of subsidiary	Principal activity	Country of incorporation	Cost of investments		Interest held	
			2021	2020	2021	2020
			$	$	%	%
Pinehills (Singapore) Pte Ltd	Investment holding	Singapore	76,629	76,629	100%	100%

The subsidiary was incorporated on 10 November 2011 and financial statements were audited by T. Ravi & Co., Certified Public Accountants of Singapore for the financial year ended 31 March 2021. The subsidiary issued unmodified audit opinion on their report dated 11 June 2021 .

5. INVESTMENT IN UNQUOTED SHARES - GROUP

	2021	2020
	$	$
Investment, at cost	800,000	788,040

The Group's investment in unquoted shares was represented as in United States Dollars amounting to $800,000/- at the balance sheet date the investment valued as per fair value.

The Group has invested in NH2 Limited an active company incorporated on 25 July 2016 with the registered office located in city London.

6. PLANT AND EQUIPMENT - GROUP & COMPANY

	Balance on 01/04/20	Additions	Disposals	Balance on 31/03/21
	$	$	$	$
Cost				
Property	2,366,520	-	-	2,366,520
Furniture & fittings	61,707	-	-	61,707
Office equipment	19,094	-	-	19,094
Office renovation	10,551	-	-	10,551
Computers	38,359	7,143	-	45,502
	2,496,231	7,143	-	2,503,374
Accumulated depreciation				
Property	65,874	47,330	-	113,204
Furniture & fittings	61,707	-	-	61,707
Office equipment	19,094	-	-	19,094
Office renovation	2,110	2,110	-	4,220
Computers	37,502	1,712	-	39,214
	186,287	51,152	-	237,439

Depreciation Charge for	2020	Net Book Value 2020	Net Book Value 2021
	$	$	$
Property	47,331	2,300,646	2,253,316
Furniture & fittings	-	-	-
Office equipment	-	-	-
Office renovation	2,110	8,441	6,331
Computers	2,371	857	6,288
	51,812	2,309,944	2,265,935

The properties have been mortgaged to the bank for loan extended by them to the company. (See Note 13). Property, plant and equipment denominated in Singapore dollars.

7. TRADE RECEIVABLES - GROUP & COMPANY

	2021	2020
	$	$
Trade receivables - outsiders	19,067,430	35,990,294
Less: Allowance for doubtful debts	(4,456,080)	-
	14,611,350	35,990,294

	2021	2020
	$	$
Not past due and not impaired	14,611,350	35,990,294
Past due and not impaired	-	-
	14,611,350	35,990,294

Allowance for doubtful debts

	2021	2020
	$	$
Balance at the beginning of the year	-	255,800
Allowance made during the year	(1,505,187)	-
Bad debts written off during the year	(2,950,893)	(255,800)
Balance at the end of the year	(4,456,080)	-

Credit terms of the trade receivables are at sight to 180 days on bank LC/DA terms and/or cash against documents. Trade receivables are denominated in United States Dollars. The current receivables with a short duration are not discounted for present value and the carrying values are assumed to approximate the fair value.

No interest is charged on the outstanding balances. Trade receivables are provided for based on estimated irrecoverable amounts from sale of goods, determined by reference to past default experience.

Included in the group and company's trade receivable balance are debtors with carrying amounts of Nil/- (2020: Nil) which are past due at the end of the reporting period for which the group and company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The management believes that trade receivables that are neither due nor past impaired are with creditworthy counter parties.

8. OTHER RECEIVABLES-GROUP & COMPANY

	2021	2020
	$	$
Deposits	296	18,081
Trade advances	2,526,612	2,506,638
Other receivables	13,578	18,121
	2,540,486	2,542,840

Other receivables consist of deposits, advances and duties and taxes. The carrying amounts are assumed to be a reasonable approximation of fair values.

Other receivables as at the reporting date are denominated in the following currencies.

	2021	2020
	$	$
Singapore dollars	13,874	20,573
United States dollars	2,526,612	2,522,267
	2,540,486	2,542,840

9. CASH AND BANK BALANCES

The cash and bank balances of the group as at the reporting date are

	Group 2021	Group 2020
	$	$
Cash in hand	1	1
Cash at banks	443,453	684,011
Fixed deposits – under lien	-	5,438,115
	443,454	6,122,127

The effective interest rates on fixed deposits are NIL (2020: 0.22% to 2.00% p.a). The fixed deposits amounting to $NIL/- (2020: $5,438,115/-) pledged as security against facility provided by the banks.

The cash and bank balances as at the reporting date are denominated in the following currencies:

	Group 2021	Group 2020
	$	$
Singapore dollars	55,329	820,467
United States dollars	385,328	5,276,016
Euro	2,797	25,644
	443,454	6,122,127

The cash and bank balances of the company as at the reporting date are

	Company 2021	Company 2020
	$	$
Cash at banks	434,746	677,828
Fixed deposits – under lien	-	5,438,115
	434,746	6,115,943

The cash and bank balances as at the reporting date are denominated in the following currencies:

	Company 2021	Company 2020
	$	$
Singapore dollars	52,167	814,283
United States dollars	379,782	5,276,016
Euro	2,797	25,644
	434,746	6,115,943

10. TRADE PAYABLES-GROUP & COMPANY

Credit terms of the trade payables are at sight to 180 days on bank LC/DA terms. The carrying amounts are assumed to be a reasonable approximation of fair values. No interest is charged on the outstanding balances.

Trade payables as at the reporting date are denominated in United States dollars.

	2021	2020
	$	$
Trade payables	1,994,502	13,389,234

11. AMOUNT OWING TO SUBSIDIARY COMPANY

The amount owing to subsidiary company is interest free, unsecured and repayable on demand.

The carrying amounts are assumed to be a reasonable approximation of fair values.

12. OTHER PAYABLES

	Group 2021	Group 2020
	$	$
Accruals	27,881	92,611
Trade advance	859,451	36,920
Other payables	52,716	38,878
	940,048	168,409

Other payables and accruals as at the reporting date are denominated in the following currencies:

	Group 2021 $	Group 2020 $
Singapore dollars	56,701	58,865
United States dollars	883,347	109,544
	940,048	168,409

	Company 2021 $	Company 2020 $
Accruals	23,895	84,202
Trade advance	859,451	36,920
Other payables	52,715	38,878
	936,061	160,000

Other payables and accruals as at the reporting date are denominated in the following currencies:

	Company 2021 $	Company 2020 $
Singapore dollars	52,715	50,456
United States dollars	883,346	109,544
	936,061	160,000

13. TERM LOAN, Secured

	Group & Company 2021 $	Group & Company 2020 $
Within one year	89,028	95,528
Within two to five years	1,709,707	1,726,496
Present value of loan payables	1,798,735	1,822,024

The term loan for the group and company is secured by property in the name of the company. The term loan bears a fixed interest rate for the first 2 years at 2.58% p.a. and subsequently at the prevailing 3- month SIBOR plus 3.00%. The loan is repayable over a period of 5 years. The term loan is denominated in Singapore dollars.

No discounting of bank loans to their present value has been done by the management.

14. BANK BORROWINGS, secured - GROUP and COMPANY

	2021	2020
	$	$
Short- term		
- Bills payable	-	5,362,772
- Trust receipt	-	6,476,086
	-	11,838,858

During the year company surrendered its bank trade credit facilities being availed from various banks.

The facilities are secured by way of:-

(i) Lien on trade receivables financed by the respective banks and fixed deposits; and

(ii) a deed of debenture by way of fixed and floating charge of on the assets financed by the bank.

The interest for revolving credit facility is charged at LIBOR plus certain agreed percentage mutually agreed which varied from 1.5% to 5.5% calculated on daily balance with monthly rests.

15. TAX - GROUP

(a) Tax expense/(credit)

	2021	2020
	$	$
Current taxation - current year	-	89,715
Under/(over) provision in prior years	9,648	(2,331)
	9,648	87,384

The income tax on profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due explained in the numerical reconciliation between the accounting profit and tax expense.

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2021	2020
	$	$
Accounting profit	(4,519,452)	543,361
Tax calculated at corporate tax rate of 17%	(768,307)	92,371
Tax effect on separate source of income	(4,595)	
Tax effect on expenses that are not deductible for tax purposes	11,164	8,821
Tax effect on capital allowance	(1,812)	(598)
Tax exemption	-	(12,230)
Other	-	1,351
Tax effect on unutilised losses carry forward	763,550	-
(Over)/under provision in prior years	9,648	(2,331)
	9,648	87,384

At the reporting date, the company has unabsorbed tax losses of $ 4,491,439/- available for offsetting against future taxable income subject to there being no substantial change in the shareholdings as required by the provisions of the Income Tax Act. The deferred tax benefit on these losses amounting to $763,550/- has not been recognised in the financial statements.

(b) Movement in current income tax liability

	2021	2020
	$	$
Balance at beginning of financial year	89,715	77,086
Tax expense on profit for current financial year	9,648	87,384
Tax –net paid during the financial year	(99,363)	(74,755)
Balance at end of financial year	-	89,715

TAX - COMPANY

(a) Tax expense/(credit)

	2021	2020
	$	$
Current taxation - current year	-	89,715
Under/ (over) provision in prior years	9,648	(2,331)
	9,648	87,384

The income tax on profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due explained in the numerical reconciliation between the accounting profit and tax expense.

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2021	2020
	$	$
Accounting profit	(4,516,383)	551,307
Tax calculated at corporate tax rate of 17%	(767,785)	93,722
Tax effect on income under separate source	(4,595)	-
Tax effect on expenses that are not deductible for tax purposes	11,164	8,821
Tax effect on capital allowance	(1,812)	(598)
Tax effect on exemption	-	(12,230)
Tax effect on unutilised losses carry forward	763,028	-
(Over)/under provision in prior years	9,648	(2,331)
	9,648	87,384

At the reporting date, the company has unabsorbed tax losses of $ 4,488,370/- available for offsetting against future taxable income subject to there being no substantial change in the shareholdings as required by the provisions of the Income Tax Act. The deferred tax benefit on these losses amounting to $763,028/- has not been recognised in the financial statements.

(b) Movement in current income tax liability

	2021	2020
	$	$
Balance at beginning of financial year	89,715	77,086
Tax expense on profit for current financial year	9,648	87,384
Tax -net paid during the financial year	(99,363)	(74,755)
Balance at end of financial year	-	89,715

16. SHARE CAPITAL-Group and Company

Issued and paid-up ordinary share capital

	2021	2020
	$	$
10,000,020 ordinary shares	7,614,662	7,614,662
Balance at end of financial year	7,614,662	7,614,662

The share capital of the company is composed of 10,000,020 ordinary shares for S$10,000,020.

For presentation purposes, Singapore dollar at historical prices has been converted into United States dollar and reported accordingly. The holders of ordinary shares are entitled to receive dividends as a when declared by the company.

All ordinary shares carry one vote per share without restriction. The ordinary shares carry no right to fixed income. The company is not subject to any externally imposed capital requirements.

17. REVENUE

	Group & Company 2021 $	Group & Company 2020 $
Disaggregation of revenue		
Sale of Raw cashew nuts & other dry nuts	6,490,593	10,341,827
Sale of Beans,pulses & other agri products	854,356	4,142,239
Sale of Tiles	-	27,791,938
Sale of Scrap	11,466,227	45,567,409
Sale of Electronic products	13,451,898	46,728
Sale of Rice	184,600	3,840,526
Sale of Transformers	-	2,396,563
Sale of Pharmaceuticals	-	277,359
Sale of Machinery & its accessories	-	444,661
Sale of Timber & timber products	729,032	6,661,310
	33,176,706	101,510,560
Timing of transfer of good		
At a point in time	33,176,706	101,510,560

Primary geographical market:

	2021 $	2020 $
Africa	7,127,073	7,272,529
Asia	18,917,195	66,706,204
Europe	1,186,144	1,033,059
North America	-	200,310
South America	5,946,294	26,298,458
	33,176,706	101,510,560

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods and services	The company generates revenue from trading or sale in various commodities.
When revenue is recognised	Income from the sale of goods is recognised when the control of goods (i.e.risk of obsolescence and loss of shipment are transferred to the customer).
Significant payment terms	Payment is due within 0 to 180 days from the date of shipment.

18. DIRECT COSTS - COST OF SALES-Group and Company

	Group & Company 2021 $	Group & Company 2020 $
Outsiders		
- Purchases from outsiders	32,578,438	99,915,064
- Freight ,Demurrage, Despatch	14,990	30,481
- Insurance	11,034	5,196
	32,604,462	99,950,741

19. OTHER INCOME

	Group & Company 2021 $	Group & Company 2020 $
Interest from bankers	3,108	72,866
Rental	-	41,591
Exchange gain	19,061	-
Other income	27,027	43,056
	49,196	157,513

20. STAFF COSTS

	Group & Company 2021 $	Group & Company 2020 $
Director fees & remuneration	195,381	229,622
Salary & bonus	140,778	135,589
Medical expense	-	-
CPF and SDL contribution	16,431	17,938
	352,590	383,149

21. COMMITMENTS - GROUP & COMPANY

Operating Commitment

The company also leases office premises under cancellable operating lease agreement. The company is required to give three months' notice for renewal of the contract. The lease expenditure **$nil/-** (2020: $68,434/-) charged to profit and loss statement during the financial year.

The future aggregate minimum lease payable under non-cancellable operating leases contracted at the balance sheet date but not recognized as liabilities, are NIL.

22. PROFIT BEFORE TAXATION - GROUP & COMPANY

	2021 $	2020 $
This is determined after charging :-		
Bank charges and interest	200,999	507,305
Directors fees & remuneration	195,381	229,622
Depreciation	51,152	51,812
Net foreign exchange difference	-	26,867
Rental expense - Operating lease	-	68,434
Staff costs (excluding director fees)	157,209	153,527
Interest income	(3,108)	(72,866)

23. BANK FACILITIES, secured

The bank facilities are secured by way of deed of debenture and floating charges on receivables financed by the bankers, both present and future of the company

	2021	2020
	$	$
Bank trade credit facilities	-	21,000,000

During the year company surrendered its bank trade credit facilities being availed from various banks.

The facilities are secured by way of:-

(i) Lien on trade receivables financed by the respective banks and fixed deposits; and
(ii) a deed of debenture by way of fixed and floating charge of on the assets financed by the bank.

The interest for revolving credit facility is charged at LIBOR plus certain agreed percentage mutually agreed which varied from 1.5% to 5.5% calculated on daily balance with monthly rests.

24. CONTINGENT LIABILITY, unsecured

As at 31 March, 2021, out of the facilities utilised with the banks, contingent liabilities related to discounted foreign usance bills under bills for collection and the company's liability on letter of guarantee opened by the bank on behalf of the company amounting to **$163,453/-**.

25. FINANCIAL RISK MANAGEMENT

The main risks arising from the company's financial instruments are credit risk and price risk, primarily interest rate risk and market risk. The management has not established any written risk management policies and guidelines. However, as a minimum requirement, the management monitors and controls its main risks in the following manner:-

Credit Risk

Financial instruments contain an element of risk in that the counterparties may be unable to meet their obligations. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The company exposure to credit risk arises primarily from trade and other receivables.
For other financial (including cash and cash equivalents), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

At the balance sheet date, the company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Credit risk concentration profile

The credit risk concentration profile of the company's trade receivables as the company has large number of customers to deal with and there is no concentration of geological presence.

Financial Credit Risk

The company has placed its surplus funds in a reputed financial institution to mitigate potential concentrations of credit risk in relation to its bank balances

Market Risk

The company is exposed to changes in commodity prices. The company does not use derivative financial instruments to hedge underlying commodity price risk. However, this risk is mitigated as the company signed the counter party agreement with their customers for such commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company's exposure to movement in market interest rates is minimised as the company has a policy to maintain cash equivalents and borrowings in fixed rate instruments. The company sometime borrows at variable rates and uses interest rates, which have the economic effect as the company agrees with other parties on specified rates, which fixed on banker's lending rate together with variable components. As at the reporting date, the company has no material interest bearing assets or liabilities except bank overdraft and trust receipts with a fixed and floating rate of interest.

Interest bearing liabilities:

	Company 2021 $	Company 2020 $
Fixed deposit, underlien	-	5,438,115
Term loan, secured	(1,798,735)	(1,822,024)
Bank borrowings	-	(11,838,858)
Total interest bearing liabilities	(1,798,735)	(8,222,767)

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the company's profit for the year ended 31 March 2021 would decrease/increase by **$8,994/-** (2020: decrease/increase by $41,114/-) with corresponding effect on the equity. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

Foreign Currency Risk

The company is exposed to foreign currency risk arising from future commercial transactions, recognised assets and liabilities, primarily with respect to Singapore Dollar. The company monitors the foreign currency exchange rate movements closely to ensure that their exposures are minimised by closely monitoring the timing of the inception and settlement of the transactions.

The group's currency exposure to Singapore dollars is follows:-

	2021	2020
	$	$
Other receivables	13,874	20,573
Cash and bank balances	55,329	820,467
Other payables	(56,701)	(58,865)
Term loan, secured	(1,798,735)	(1,822,024)
	(1,786,233)	(1,039,849)

Based on the balances as at 31 March 2021, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables including tax rate being held constant, the company's profit after tax for the financial period would have been **$178,623/-** (2020: $103,985/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

The company's currency exposure to Singapore dollars is follows:-

	2021	2020
	$	$
Other receivables	13,874	20,573
Cash and bank balances	52,167	814,283
Other payables	(52,715)	(50,456)
Term loan, secured	(1,798,735)	(1,822,024)
	(1,785,409)	(1,037,624)

Based on the balances as at 31 March 2021, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables including tax rate being held constant, the company's profit after tax for the financial period would have been **$178,541/-** (2020: $103,762/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

The group's and company's currency exposure to Euro is follows:-

	2021	2020
	$	$
Cash and bank balances	2,797	25,644
	2,797	25,644

Based on the balances as at 31 March 2021, if the United States Dollar had strengthened/weakened by 10% against the Euro with all other variables including tax rate being held constant, the company's profit after tax for the financial period would have been **$280/-** (2020: $2,564/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

Liquidity Risk

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

The company manages liquidity risk by maintaining sufficient cash to meet normal operating commitments and/or will able to get financial support from its banking and from the holding company.

All trade and other payable are due within one year.

The management monitors rolling forecasts of the group and the company's liquidity reserve (comprising cash and cash equivalents) on the basis of expected cash flow.

This is generally carried out at local level in the operating companies of the group and the company in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

The table below analyses the group and the company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The group adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents and available funding through the principal.

	Group 2021	Group 2020
Less than one year	$	$
Trade payables	1,994,502	13,389,234
Other payables	940,048	168,409
Term loan, secured	89,028	95,528
Bank borrowings, secured	-	11,838,858
Provision for taxation	-	89,715
	3,023,578	25,581,744

	Company 2021	Company 2020
Less than one year	$	$
Trade payables	1,994,502	13,389,234
Amount owing to subsidiary company	93,407	658,903
Other payables	936,061	160,000
Term loan, secured	89,028	95,528
Bank borrowings, secured	-	11,838,858
Provision for taxation	-	89,715
	3,112,998	26,232,238

26. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, and amount owing to related parties and amount owing to shareholders excluding provision for taxation and deferred tax liability as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debts.

	Group 2021 $	Group 2020 $
Total loans and borrowing	4,733,285	27,218,525
Less: cash and cash equivalents	(443,454)	(6,122,127)
Net debt	4,289,831	21,096,398
Equity attributable to the equity holders of the company	15,927,940	20,445,005
Capital and net debt	20,217,771	41,541,403
Gearing ratio	0.21	0.51

	Company 2021 $	Company 2020 $
Total loans and borrowing	5,378,260	27,869,019
Less: cash and cash equivalents	(434,746)	(6,115,943)
Net debt	4,943,514	21,753,076
Equity attributable to the equity holders of the company	14,550,885	19,076,916
Capital and net debt	19,494,399	40,829,992
Gearing ratio	0.25	0.53

27. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is the amount at which instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transactions, other than in a forced or liquidation sale.

The management has determined that the carrying amounts of short-term deposits, current trade receivables, amounts due by related party, current trade and other payables, amount due to directors and related party and hire purchase creditors, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are reprised frequently within a year.

28. NET FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The financial assets and financial liabilities of the Company consist of its current assets, current liabilities and non-current receivable. The fair values of the Company's financial assets and financial liabilities at the balance sheet date approximate their book values as shown in the balance sheet.

The carrying amounts of financial instruments in each of the following categories are as follows:-

Financial Assets

	Group 2021 $	Group 2020 $
Trade receivables	14,611,350	35,990,294
Other receivables	13,874	36,202
Cash and bank balances	434,454	6,122,127
	15,068,678	42,148,623

	Company 2021 $	Company 2020 $
Trade receivables	14,611,350	35,990,294
Other receivables	13,874	36,202
Cash and bank balances	434,746	6,115,943
	15,059,970	42,142,439

Financial liabilities through amortised cost

	Group 2021 $	Group 2020 $
Trade payables	1,994,502	13,389,234
Other payables	912,166	75,798
Term loan, secured	1,798,735	1,822,024
Bank borrowings, secured	-	11,838,858
	4,705,403	27,125,914

	Company 2021 $	Company 2020 $
Trade payables	1,994,502	13,389,234
Other payables	912,166	75,798
Term loan, secured	1,798,735	1,822,024
Amount owing to subsidiary company	648,962	658,903
Bank borrowings, secured	-	11,838,858
	5,354,365	27,784,817

29. HOLDING COMPANY

The company's holding company is KOTHARI PRODUCTS LIMITED., a company incorporated in India (Registration no. T08UF2112B), which owns 99.99% of the issued share capital of the company.

30. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 01 April 2021. The company does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

31. DEVELOPMENT OF COVID -19 OUTBREAK

COVID-19 Outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the company is therefore unable to provide a quantitative estimate of the potential impact of this outbreak of the company. The company continues to monitor and evaluate any possible impact on the company's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the company in preparing financial statements is inappropriate.

32. RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. An amount of $2,506,638/-, which was included in trade receivables and has been reclassified as other receivables. The effect of reclassification in the financial statement is as below:

Statement of Financial position as at 31st March 2020

	Group & Company		
	$	$	$
	As originally reported	Reclassified	Net change
Trade receivables	38,496,932	35,990,294	2,506,638
Other receivables	36,202	2,542,840	(2,506,638)
			-

33. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the board of directors of KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY on 11 June 2021 .

The annexed detailed statement of comprehensive income does not form part of the audited statutory financial statements. It is not necessary to file the detailed statement of comprehensive income with the Accounting and Corporate Regulatory Authority.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY
(Incorporated in Singapore with its Registration Number 200809977K)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	2021	2020
	$	$
Sales and other revenue	33,176,706	101,510,560
Less: Cost of Goods Sold		
Purchases	32,578,438	99,915,064
Freight demurrage & dispatch	14,990	30,481
Insurance	11,034	5,196
	32,604,462	99,950,741
Gross Profit	572,244	1,559,819
Other income		
Interest	3,108	72,866
Exchange gain	19,061	-
Rental	-	41,591
Other income	27,027	43,056
	49,196	157,513
Less: Operating Expenses		
Allowance for bad debts	1,505,187	-
Audit fee	22,912	29,103
Bad debts	2,950,893	-
Computer maintenance	903	1,632
Conveyance	2,143	3,233
CPF and SDL contribution	16,431	17,938
Depreciation	51,152	51,812
Director fees & remuneration	195,381	229,622
Exchange loss	-	26,867
General expenses	-	859
Insurance	4,608	47,930
Inspection charge	9,578	-
Interest	200,999	507,305
Legal fees	14,804	746
Maintenance fund	8,092	-
Office expenses	4,069	3,081
Postage & Courier	335	213
Printing and Stationary	110	493
Property tax	3,820	5,207
Refreshment	157	458
Rent	-	68,434
Repair and maintenance	-	7,880
Salary	140,778	135,589

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED AND ITS SUBSIDIARY

(Incorporated in Singapore with its Registration Number 200809977K)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	2021	2020
	$	$
Subscription	1,169	591
Telecommunication	3,897	7,020
Travelling expense	-	19,153
Utilities	405	859
	5,137,823	1,166,025
Net (loss)/profit for the year	(4,516,383)	551,307
Income tax	(9,648)	(87,384)
Net (loss)/profit for the year	(4,526,031)	463,923