

**PINEHILLS (SINGAPORE) PTE LTD**  
*(Incorporated in Singapore Registration Number: 201132797G)*

**FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2020*

**PINEHILLS (SINGAPORE) PTE LTD**  
*(Incorporated in Singapore Registration Number: 201132797G)*

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*For the financial year ended 31 March 2020*

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# **PINEHILLS (SINGAPORE) PTE LTD**

*(Incorporated in Singapore Registration Number: 201132797G)*

## **DIRECTOR'S STATEMENT**

*For the financial year ended 31 March 2020*

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The sole director is pleased to present his statement to the members together with the audited financial statements of **PINEHILLS (SINGAPORE) PTE LTD** (the "Company") for the financial year ended 31 March 2020.

### **1. OPINION OF THE DIRECTOR**

In my opinion,

- (a) The financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the 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. DIRECTOR'S RESPONSIBILITY**

I, the sole director of **PINEHILLS (SINGAPORE) PTE LTD** 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 profit and loss accounts and balance sheets 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. DIRECTOR**

The sole director in office at the date of this report is: -

**SOMESH GANERIWAL**

# PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

## DIRECTOR'S STATEMENT

For the financial year ended 31 March 2020

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### 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 director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### 5. DIRECTOR'S INTEREST IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of directors' shareholding kept by the Company under section 164 of the Singapore Companies Act, chapter 50 (the "Act"), except as follows:

	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
	<u>01.04.2019</u>	<u>31.03.2020</u>	<u>01.04.2019</u>	<u>31.03.2020</u>
<u>Immediate holding company</u>				
Kothari Products Singapore Pte Ltd	100,001	100,001	-	-
Somesh Ganeriwal	-	-	20	-

### 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.

## **PINEHILLS (SINGAPORE) PTE LTD**

*(Incorporated in Singapore Registration Number: 201132797G)*

### **DIRECTOR'S STATEMENT**

*For the financial year ended 31 March 2020*

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#### **7. AUDITOR**

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

The Sole Director,



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**SOMESH GANERIWAL**  
Director

Singapore,

**10 JUN 2020**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PINEHILLS (SINGAPORE) PTE LTD**

**Report on the Audit of Financial Statements**

*Opinion*

We have audited the financial statements of **PINEHILLS (SINGAPORE) PTE LTD. (the "Company")** which comprise the Statement of Financial Position as at 31 March 2020 and the Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information set out on pages 8 to 39.

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

*Basis for Opinion*

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

*Other Information*

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

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

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



*Responsibilities of 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 director's 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:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





**T Ravi & Co**  
Chartered Accountants

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4. 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.
5. 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.
6. 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

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

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

10 June 2020



**PINEHILLS (SINGAPORE) PTE LTD***(Incorporated in Singapore Registration Number: 201132797G)***STATEMENT OF FINANCIAL POSITION***For the financial year ended 31 March 2020*

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment	4	<u>1,122,720</u>	<u>1,122,720</u>
		<u>1,122,720</u>	<u>1,122,720</u>
<b>Current assets</b>			
Amount owing from immediate holding company	5	831,534	839,194
Cash and bank balances	6	<u>8,811</u>	<u>9,321</u>
		<u>840,345</u>	<u>848,515</u>
<b>Current liabilities</b>			
Other payables and accruals	7	11,980	8,830
Provision for taxation	8	<u>-</u>	<u>-</u>
		<u>11,980</u>	<u>8,830</u>
<b>Net current assets</b>		<u>828,365</u>	<u>839,685</u>
<b>Net assets</b>		<u>1,951,085</u>	<u>1,962,405</u>
<b>EQUITY</b>			
Share capital	9	100,001	100,001
Retained profit		<u>1,851,084</u>	<u>1,862,404</u>
<b>Total equity</b>		<u>1,951,085</u>	<u>1,962,405</u>

**PINEHILLS (SINGAPORE) PTE LTD***(Incorporated in Singapore Registration Number: 201132797G)***STATEMENT OF PROFIT AND LOSS AND OTHER  
COMPREHENSIVE INCOME***For the financial year ended 31 March 2020*

		1-Apr-19 To 31-Mar-20 \$	1-Apr-18 To 31-Mar-19 \$
	<u>Note</u>		
Revenue			-
Direct costs - purchases and incidentals			-
Other operating expenses		(11,320)	(5,670)
Net loss before taxation	10	<u>(11,320)</u>	<u>(5,670)</u>
Income tax	8	-	-
Net loss for the year		<u>(11,320)</u>	<u>(5,670)</u>
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Total comprehensive expenses for the year		<u><u>(11,320)</u></u>	<u><u>(5,670)</u></u>

**PINEHILLS (SINGAPORE) PTE LTD**  
*(Incorporated in Singapore Registration Number: 201132797G)*

**STATEMENT OF CHANGES IN EQUITY**  
*For the financial year ended 31 March 2020*

	Issued share capital	Retained profit	Total
	\$	\$	\$
As at 1 April 2018	100,001	1,868,074	1,968,075
Total comprehensive loss for the year	-	(5,670)	(5,670)
As at 31 March 2019	100,001	1,862,404	1,962,405
Total comprehensive loss for the year	-	(11,320)	(11,320)
As at 31 March 2020	100,001	1,851,084	1,951,085



**PINEHILLS (SINGAPORE) PTE LTD***(Incorporated in Singapore Registration Number: 201132797G)***STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2020*

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Loss before income tax	(11,320)	(5,670)
Gain on sale of investment	-	-
Operating cash (outflow) before working capital changes	(11,320)	(5,670)
Amount owing from immediate holding company	7,660	5,000
Other payables and accruals	3,150	-
<b>Cash (used in)/generated from operating activities</b>	(510)	(670)
Income tax paid	-	-
<b>Net cash (used in)/generated from operating activities</b>	(510)	(670)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(510)	(670)
Cash and cash equivalents at beginning of the year	9,321	9,991
<b>Cash and cash equivalents at the end of the year</b>	8,811	9,321

# **PINEHILLS (SINGAPORE) PTE LTD**

*(Incorporated in Singapore Registration Number: 201132797G)*

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

### **1. GENERAL**

The Company is domiciled and incorporated in Singapore with its registered office at 101 Cecil Street, #09-01, Tong Eng Building, Singapore 069 533.

The principal activity of the Company is investments holding.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 BASIS OF PREPARATION**

The financial statements which are expressed in Singapore 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.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed elsewhere in this financial statements.

In 2018, 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 FRS that have issued but not yet effective until future periods will not have any material impact on the financial statements of the company.

# PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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### 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 2018. Except for the adoption of FRS 109 Financial instruments and FRS 115 Revenue from Contracts with Customers, the adoption of these standards did not have any material effect on financial performance or position of the Company.

#### (b) FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

##### Classification and measurement

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gain or losses will be recognised in profit and loss except for certain equity investments, for which the company can elect to recognise the gains and losses in other comprehensive income. Gains and losses realised on the sale of financial assets at fair value through other comprehensive income ("FVOCI") are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

Debts instrument that meet the solely payments of principal and interest contractual cash flow characteristics test and where the company is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets can also be measured at fair value through OCI.

Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

The company has completed its preliminary assessment of the classification and measurement of its financial assets and liabilities, and expect that financial assets and liabilities currently measured at amortised cost will continue to qualify for measurement at amortised cost under FRS 109.



# PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment

FRS 109 introduce a new forward-looking impairment model based on expected credit losses to replace the incurred loss impairment model used in FRS 39. This determines the recognition of impairment loss allowance as well as interest revenue. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. The company will recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increases in credit risk after initial recognition under the three stages model or from initial recognition if the simplified model is applied.

The following financial assets will be subjected to the expected credit loss impairment model under FRS 109:

- Trade receivables recognised under FRS 115;
- Loans to related parties and other receivables at amortised costs.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The management does not expect any significant impact arising from the application of the expected credit loss impairment model.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness test. It requires an economic relationship between the hedged item and hedging instrument and for the "hedge ratio" to be same as the one management actually use for risk management purpose.

#### (c) FRS 115 Revenue from contracts with customers

FRS 115 replaces FRS 11 construction contracts, FRS 18 Revenue, and related interpretations.

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. Revenue is recognised when a customer obtain control of a good or service. A customer obtain control when it has the ability to direct the use of and obtain benefits from the good or service.

# PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognizing revenue: at a point of time or over time. An entity recognised revenue in accordance with the core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue (when) the entity satisfies a performance obligation.

The core principles is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The company will adopt FRS 115 in the financial year beginning on 1 January 2018 using the full retrospective method in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

#### (d) 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
FRS 116 Leases	1 January 2019
INT FRS 123 Uncertainty over Income Tax treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Annual Improvements to FRSs (March 2018)	1 January 2019

# PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate Or Joint Venture	Date to be determined
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Except for FRS 116, 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. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

#### (e) FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard included two recognition exemption for lessees-leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The company plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of FRS 116, the Company expects to choose, on a lease-by-lease basis, to measure the right-of -use asset at either:

- (i) its carrying amount as FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Company plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;



# **PINEHILLS (SINGAPORE) PTE LTD**

*(Incorporated in Singapore Registration Number: 201132797G)*

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and to apply a single discount rate to a portfolio of leases with reasonable similar characteristics.

#### **2.2 INVESTMENT**

Other investments are stated at cost less accumulated impairment loss, if any, at the reporting date. No impairment of loss for diminish in the value of the investment been provided unless such impairment loss is of permanent nature. On disposal of investments the difference between net disposal proceeds and the carrying amount of the investment is taken to the income statement.

#### **2.3 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 residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. A full year's depreciation is provided for assets acquired in the year and no depreciation is provided for the year in which the asset is disposed off.

Fully depreciated plant and equipment are retained in the financial statements at nominal value until such time when they are no longer in use and no further charge for depreciation is made in respect of these assets.

##### **(c) Subsequent expenditure**

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the assets before the expenditure was made, will flow to the company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

## **PINEHILLS (SINGAPORE) PTE LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

##### **d) Disposal**

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

##### **(e) Impairment of assets**

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e.) the higher of the fair value less cost to sell and value in use of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If there is the case, recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

#### **2.4 IMPAIRMENT**

The carrying amounts of the company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss is charged to the profit and loss statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

# **PINEHILLS (SINGAPORE) PTE LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

#### **(a) CALCULATION OF RECOVERABLE AMOUNT**

The recoverable amount of the company's receivables carried is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. The recoverable amount of other assets is the greater of their fair values less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### **(b) REVERSALS OF IMPAIRMENT**

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment losses for the asset no longer exist or have decreased.

However, an impairment loss in respect of goodwill is not reversed. The increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for that asset in prior years.

### **2.5 FINANCIAL INSTRUMENTS**

These accounting policies are applied on or after the initial application date of FRS 109, 1 January 2018

#### **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.

# **PINEHILLS (SINGAPORE) PTE LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

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### **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.



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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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### **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.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

#### **(a) Financial assets**

##### **Initial recognition and measurement**

Financial assets 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 assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVPL, directly attributable transaction costs.

##### **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. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise loan to the holding company, trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand.

##### **Available-for-sale financial assets**

Available-for-sale financial assets are those non-derivative financial assets which are not classified as held-to-maturity investments, loans and receivables or financial assets at FVPL.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

# **PINEHILLS (SINGAPORE) PTE LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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### **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.

### **2.6 IMPAIRMENT OF FINANCIAL ASSETS**

These accounting policies are applied on or after the initial application date of FRS 109, 1 January 2018.

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.

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### NOTES TO THE FINANCIAL STATEMENTS

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#### 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.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### **2.7 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.

#### **2.8 TRADE AND OTHER RECEIVABLES**

Trade and other receivables, are accounted for as receivables under FRS 39. They are recognised and carried at original invoiced amount, which represents their fair value on initial recognition, less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. The accounting policy for this category of financial assets is stated in Note 2.5.

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

##### **2.9 CASH AND BANK BALANCES**

Cash and bank balances 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.

##### **2.10 TRADE CREDITORS AND OTHER PAYABLES**

Trade creditors and other payables 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.

##### **2.11 PROVISIONS**

Provisions 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.

##### **2.12 LEASED ASSETS**

Leases on terms of which the company assumes substantially all risks and rewards of ownership of the leased items are classified as finance lease. Property, plant and equipment acquired by way of finance lease is capitalised at the lower of its fair value and the present value minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. 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 directly to the profit and loss statement.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss statement on a straight-line basis over the lease term.

Provisions 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.



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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

##### **2.13 TAXATION**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for Good will not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred taxation benefits are recognised in the accounts only to the extent of any deferred tax liability or when benefits are expected to be realisable in the near future.

##### **2.14 REVENUE RECOGNITION**

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 reliably measured, when it is probable that collectability 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.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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#### 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 finalized 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 Sales/Service income

Chartered Income recognised on a periodic timely accrued basis.

When the outcome of contracts can be estimated reliably, the total revenue and expenses associated with the contracts are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion of the contract activity is measured by reference to the value of the work performed to the total contract values.

Significant judgement is required in determining the stage of completion, the extent of the contract cost incurred the estimated total contract revenue and contract cost, as well as the recoverability of contracts. The contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the company evaluates by relying on past experience and work of specialists.

When the outcome of the contracts cannot be estimated reliably, no profit is recognised. Expected losses are recognised as expenses immediately.

Interest income

Interest income on financial instruments is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue amortising the discount as interest income on the recoverable amount.

## **PINEHILLS (SINGAPORE) PTE LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

##### **2.15 FINANCE COSTS**

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds are recognised as an expense in the period in which they are incurred except for borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest expense is calculated using the effective interest rate method.

##### **2.16 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 reporting date.

##### **2.17 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 Singapore 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 reporting 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.

# **PINEHILLS (SINGAPORE) PTE LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

The Company's major transactions were denominated mainly in United States Dollars currency, which in accordance with FRS 21, is considered as its functional currency for preparation of underlying accounting records. However, as the company is incorporated in Singapore and the decision making is in Singapore, the management is of the view that Singapore Dollar currency would reflect the real financial effects on its assets and liabilities and for better financial understanding of directors and members.

#### **2.18 EMPLOYEE BENEFITS**

##### **(1) Defined contribution plans**

The company makes contributions to the Central Provident Fund, a defined contribution pension scheme. These contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

##### **(2) 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.

#### **2.19 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 statement of comprehensive income .

#### **2.20 GOVERNMENT GRANTS**

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

## **PINEHILLS (SINGAPORE) PTE LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the year in which they become receivables.

#### **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;
  - (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 company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company 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;

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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

- (vi) the entity is controlled or jointly controlled by a person identified in
- (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)

#### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

##### **Critical accounting estimates, assumptions and judgements**

The company makes estimates, assumptions and judgments concerning the future. The results accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **(i) Income taxes**

The company has exposure to income taxes on its income and certain expenses. Significant judgement is involved in determining the company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary courses of business. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

##### **(ii) Provision for unsettled trade receivables**

Allowance for bad and doubtful receivables of the company is based on the evaluation of collectibility and aging analysis of receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of customers. There was no allowance for doubtful receivables by the company for the financial year from 31 March 2019.

##### **(iii) 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 for the company decided to have Singapore dollars as its functional currency.



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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**

#### **(iv) Revenue recognition**

The management has considered the detailed criteria for the recognition of revenue from the sale of goods as set out in 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**

	2020	2019
	\$	\$
Investment in NH2	1,122,720	1,122,720
	<u>1,122,720</u>	<u>1,122,720</u>

#### **INVESTMENT IN UNQUOTED SHARES**

The management believes the fair value of the investment is more than its cost as at the balance sheet date while waiting for external evidence to ascertain the correct fair value of the investment.

The Group has invested in NH2 Limited is an active company incorporated on 25 July 2015 with the registered office located in city London.

Investment is denominated in United States Dollars.

### **5. AMOUNT OWING FROM IMMEDIATE HOLDING COMPANY**

The amount owed from immediate holding company, unsecured, interest free and repayable on demand. The carrying amounts are assumed to be a reasonable approximation of fair values.

# PINEHILLS (SINGAPORE) PTE LTD

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

### 6. CASH AND BANK BALANCES

The cash and bank balances as at the balance sheet date are:

	2020	2019
	\$	\$
Cash in hand	1	1
Cash at bank	8,810	9,320
	<u>8,811</u>	<u>9,321</u>

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

The cash and bank balances are denominated in the following currencies.

	2020	2019
	\$	\$
Singapore dollars	840	1,350
United states dollars	7,971	7,971
	<u>8,811</u>	<u>9,321</u>

### 7. OTHER PAYABLES

	2020	2019
	\$	\$
Accruals	11,980	8,830
	<u>11,980</u>	<u>8,830</u>

Other payables are consist of accruals and are denominated in Singapore dollars.

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

### 8. TAX

#### (a) Tax expense/(credit)

	2020	2019
	\$	\$
Current taxation	-	-
Over provision in prior year	-	-
	<u>-</u>	<u>-</u>

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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:-

	2020	2019
	\$	\$
Accounting (loss)/profit before tax	(11,320)	(5,670)
Tax calculated at corporate tax rate of 17%	1,924	964
Deferred tax benefit not recognised	(1,924)	(964)
Others	-	-
Net tax payable	-	-
b) <u>Movement in current income tax liability</u>		
	2020	2019
	\$	\$
Balance at beginning of financial year	-	-
Tax expense on profit for current financial year	-	-
(Over)provision of previous year	-	-
Balance at end of financial year	-	-

### 9. SHARE CAPITAL

#### Issued and paid-up ordinary share capital

	2020	2019
	\$	\$
100,001 ordinary share	100,001	100,001
Balance at end of financial year	100,001	100,001

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction. The ordinary shares carry no right to fixed income.

### 10. NET (LOSS)/PROFIT BEFORE TAXATION

	2020	2019
	\$	\$
Bank Charges	510	510

# **PINEHILLS (SINGAPORE) PTE LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2019*

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### **11. FINANCIAL RISK MANAGEMENT**

#### **Risk management**

The company does not have any specific written financial risk management policies, business strategies and its risk management philosophy. The company's overall financial risk management programme seeks to minimise potential adverse effects of the financial performance of the company. The company does not hold or issue derivative financial instruments for speculative purpose. There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures risk. The main risks arising from the company's financial instruments are liquidity risk, market risk, other risks being credit risk, foreign currency risk, interest rate risk are minimum. 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.

#### **(a) Financial Credit Risk**

Surplus cash and cash equivalents are placed with established financial institutions.

#### **(b) Commercial Credit Risk**

The management minimises this risk by analysing the credibility of its clients. In addition, it monitors the repayment terms of its debtors on a regular basis. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The company's exposure to credit risk arises primarily from amount due from holding company.

The company minimises the concentration of credit risk by analysing the credibility of its clients. In addition, it monitors the repayment terms of its debtors on a regular basis. The company has policies in place to ensure that services are provided to customers with adequate financial standing.

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.

# PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

### Foreign Currency Risk

The company does not engage in foreign currency denominated transactions. As such, the company is not exposed to foreign exchange risk.

The company's currency exposure to United States Dollars is follows:-

	2020	2019
	\$	\$
Investment in NH2	1,122,720	1,122,720
Cash and bank balances	7,972	7,972
	<u>1,130,692</u>	<u>1,130,692</u>

Based on the balances as at 31 March 2020, 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 year would have been 2020: \$113,069/- (2019: \$113,069/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

### 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 sometimes borrows at floating rates which have the economic effect as the company agrees with other parties on specified rates, which is fixed on banker's lending rate together with variable components. However at the financial year end, there is no interest rate risk.

### Liquidity risk

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

### Financial assets

	2020	2019
	\$	\$
Amount owing from immediate holding company	831,534	839,194
Cash and bank balances	8,811	9,321
	<u>840,345</u>	<u>848,515</u>

# **PINEHILLS (SINGAPORE) PTE LTD**

(Incorporated in Singapore Registration Number: 201132797G)

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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### **Financial liabilities through amortised cost**

	2020	2019
	\$	\$
Other Payables	<u>11,980</u>	<u>8,830</u>

The company manages liquidity risk by maintaining sufficient cash to meet normal operating commitments. All trade and other payable are due within one year. The company obtains its financial support from its holding company as and when required for the operation of the company.

### **12. CAPITAL MANAGEMENT**

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company adjusts the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policy or process during the years ended 31 March 2020 and 31 March 2019.

The gearing ratios is not calculated as the company don't have any external borrowings.

### **13. 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.

### **14. 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:-



## **PINEHILLS (SINGAPORE) PTE LTD**

*(Incorporated in Singapore Registration Number: 201132797G)*

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2020*

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#### **Financial assets**

	2020	2019
	\$	\$
Amount owing from immediate holding company	831,534	839,194
Cash and bank balances	8,811	9,321
	<u>840,345</u>	<u>848,515</u>

#### **15. 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 2020. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

#### **16. HOLDING COMPANY**

The Company is a wholly-owned subsidiary of **KOTHARI PRODUCTS SINGAPORE PTE LTD** (Registration Number: 200809977K), incorporated in Singapore and its ultimate holding company is **KOTHARI PRODUCTS LIMITED** (Registration Number: T08UF2112B), incorporated in India.

#### **17. AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **PINEHILLS (SINGAPORE) PTE LTD** dated on 10 June 2020.