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SINGAPORE

GREENPANEL SINGAPORE PTE. LTD.

Company Registration No. 201323926C

Directors' Statement And Audited Financial Statements For The Financial Year Ended 31 March 2020

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DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors present their statement to the member together with the audited financial statements of Greenpanel Singapore Pte Ltd (the "Company") for the financial year ended 31 March 2020.

1. Opinion of the directors

In the opinion of the directors,

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, having regard to the continuing financial support from the ultimate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Anwardeen Ziaudeen
Rajesh Mittal (Resigned as at 19 August 2019)
Shobhan Mittal

3. 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 objects are, or one of whose objects is, 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.

4. Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), 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 except as stated below:

	Deemed interest	
Name of directors	**At the beginning of the financial year**	**At the end of the financial year**
Ordinary shares of the holding company		
Greenpanel Industries Limited (India)		
Shobhan Mittal	1	10,588,380
Shobhan Mittal (Held by Prime Holdings Private Limited, Interest as Director)	-	13,332,800
Shobhan Mittal (Held by Vanashree Properties Private Limited, Interest as Director)	-	3,116,055
Shobhan Mittal (Held by Bluesky Projects Private Limited, Interest as Director)	-	375,000

5. 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.

There were no unissued shares of the Company under option at the end of the financial year.

6. Independent auditor

CA TRUST PAC, has expressed its willingness to accept re-appointment.

The Board of Directors

SHOBHAN MITTAL
Director

ANWARDEEN ZIAUDEEN
Director

Date: 20 May 2020

30 Cecil Street
#15-08 Prudential Tower
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREENPANEL SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Greenpanel Singapore Pte Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, and the statement of 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.

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 Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the 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 other information. The other information comprises the Directors' Statement.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREENPANEL SINGAPORE PTE. LTD. (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 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 these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREENPANEL SINGAPORE PTE. LTD. (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREENPANEL SINGAPORE PTE. LTD. (CONTINUED)

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.

CA TRUST PAC
Public Accountants and
Chartered Accountants
Singapore

(Engagement Partner: Chua Soo Rui)

Date: 20 May 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 USD	2019 USD
Revenue	4	10,887,613	10,062,379
Cost of sales		(8,962,515)	(9,250,034)
Gross profit		1,925,098	812,345
Other income	5	27,743	137,684
Share of profit from joint venture		-	146,013
Administrative expenses		(860,212)	(841,623)
Other operating expenses		(1,249,829)	(1,278,021)
Finance costs	6	(87,574)	(103,032)
Loss before tax	7	(244,774)	(1,126,634)
Income tax expense	8	-	-
Loss for the year, representing total comprehensive loss for the year		(244,774)	(1,126,634)

GREENPANEL SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020	2019
ASSETS		USD	USD
Non-current assets			
Property, plant and equipment	9	3,065,762	2,884,043
Investment in joint venture	10	-	-
		3,065,762	2,884,043
Current assets			
Inventories	11	-	528,437
Trade receivables	12	284,414	689,306
Other receivables	13	90,700	280,102
Cash and cash equivalent		249,672	211,571
		624,786	1,709,416
Total assets		3,690,548	4,593,459
EQUITY AND LIABILITIES			
Equity			
Share capital	14	7,750,000	7,000,000
Accumulated losses		(5,475,096)	(5,230,322)
Total equity		2,274,904	1,769,678
Non-current liability			
Borrowings	15	1,009,668	869,447
		1,009,668	869,447
Current liabilities			
Trade payables	16	-	1,665,127
Other payables	17	9,149	9,658
Borrowings	15	396,827	279,549
		405,976	1,954,334
Total equity and liabilities		3,690,548	4,593,459

GREENPANEL SINGAPORE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital USD	Accumulated losses USD	Translation reserves USD	Total USD
At 1 April 2018	8,925,000	(4,103,688)	(647,955)	4,173,357
Loss for the financial year, representing total comprehensive loss for the year	-	(1,126,634)	-	(1,126,634)
Reversal of other comprehensive loss from joint venture	-	-	647,955	647,955
	-	(1,126,634)	647,955	(478,679)
Transaction with owners, recorded directly in equity				
Contributions by and distribution to owners				
Share capital issued	1,825,000	-	-	1,825,000
Share capital reduction	(3,750,000)	-	-	(3,750,000)
Total contributions by and distributions to owners / Total transactions with owners	(1,925,000)	-	-	(1,925,000)
At 31 March 2019	7,000,000	(5,230,322)	-	1,769,678
At 1 April 2019	7,000,000	(5,230,322)	-	1,769,678
Loss for the financial year, representing total comprehensive loss for the year	-	(244,774)	-	(244,774)
Transaction with owners, recorded directly in equity				
Contributions by and distribution to owners				
Share capital issued	750,000	-	-	750,000
Total contributions by and distributions to owners / Total transactions with owners	750,000	-	-	750,000
At 31 March 2020	7,750,000	(5,475,096)	-	2,274,904

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 USD	2019 USD
Cash flows from operating activities		
Loss before tax	(244,774)	(1,126,634)
Adjustments for:		
Depreciation	533,129	388,426
Fixed assets written off	-	4,331
Interest expenses	87,574	67,699
Gain on disposal of joint ventures	-	(119,630)
Share of profit from joint ventures	-	(146,013)
Operating profit/(loss) before working capital changes	375,929	(931,821)
Changes in working capital		
Goods in transit	528,437	(359,249)
Trade receivables	404,892	(396,770)
Other receivables	189,402	39,955
Trade payables	(1,665,127)	349,561
Other payables and accruals	(509)	(85,186)
Net cash flows used in operating activities	(166,976)	(1,383,510)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(4,809)
Proceed from disposal of fixed assets	-	3,750,000
Net cash flows from investing activities	-	3,745,191
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	750,000	1,825,000
Paid back for share reduction	-	(3,750,000)
Changes in amount owing to banker	-	(100,000)
Payment of principal portion of lease liabilities (Note 15)	(457,349)	-
Lease interest paid	(87,574)	-
Payment of principal portion of finance lease	-	(237,737)
Finance lease interest paid	-	(67,699)
Net cash flows from/(used in) financing activities	205,077	(2,330,436)
Net change in cash	38,101	31,245
Cash at the beginning of the year	211,571	180,326
Cash at the end of the year	249,672	211,571

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

1. General

Greenpanel Singapore Pte Ltd. (the "Company") is a private limited by shares company which is incorporated and domiciled in Singapore with its registered office and principal place of business at One George Street #14-06, One George Street, Singapore 049145. The Company's Registration Number is 201323926C.

The principal activities of the Company are those of wholesale trader, including import and export of wooden board and allied product. There have been no significant changes to the Company's principal activities during the financial year.

Its immediate and ultimate holding company is Greenpanel Industries Limited, which is incorporated in India.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS''). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United State Dollar (USD), which is the Company's functional currency. All financial information is presented in USD unless otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019.

Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

2. Summary of significant accounting policies

2.2 Adoption of new and amended standards and interpretations (Continued)

FRS 116 *Leases* *(Continued)*

The Company applied FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adoption FRS 116 as at 1 April 2019 was as follows:

	Increase USD
Property, plant and equipment	714,848
Borrowings	714,848

The Company has lease contracts for leasehold improvements and motor vehicles. Before the adoption of FRS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.16.

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.16. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

(a) Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under FRS 17). The requirements of FRS 116 were applied to these leases from 1 April 2019.

2. Summary of significant accounting policies

2.2 Adoption of new and amended standards and interpretations (Continued)

FRS 116 *Leases* *(Continued)*

(b) Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company also applied the available practical expedients wherein it:

The Company also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- right-of-use assets of USD2,555,045 were recognised and presented within property, plant and equipment. This includes the leased assets recognised previously under finance leases of USD1,840,227;
- additional lease liabilities of USD714,848 (included in borrowings) were recognised;

2. Summary of significant accounting policies

2.2 Adoption of new and amended standards and interpretations (Continued)

FRS 116 *Leases* *(Continued)*

(b) Leases previously accounted for as operating leases (Continued)

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	USD
Operating lease commitments as at 31 March 2019	351,396
Add:	
Commitments relating to renewal option	480,205
Less:	
Commitments relating to short-term leases	(81,157)
	750,444
Weighted average incremental borrowings rate as at 1 April 2019	2.56%
Discounted operating lease commitments as at 1 April 2019	714,848
Add: Commitments relating to leases previously classified as finance leases	1,148,996
Lease liabilities as at 1 April 2019	1,863,844

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

Certain new FRS and INT FRS have been issued as of the reporting date but are not yet effective. The Company has assessed those standards and interpretations issued. The initial application of these standards and interpretations are not expected to have material impact on the Company's financial statements.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Furniture and fittings	5 years
Renovation	5 years
Office equipment	5 years
Motor vehicles	10 /16 years
Leasehold improvements	4.83 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.
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2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 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 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. Summary of significant accounting policies (Continued)

2.7 Joint Venture

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Company with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Company with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Company recognises its interest in joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Company recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

When the Company's share of losses in the joint venture equals or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in joint venture. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(a) Financial assets

Classification and measurement of financial assets

Financial asset classified as measured at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

(a) Financial liabilities

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

2. Summary of significant accounting policies (Continued)

2.9 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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.

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 receivable, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises 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 debtor’s ability to pay.

The Company considers a financial asset in default when contractual payments are 90 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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (Continued)

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 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where 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 favourable interest is regarded as additional government grant.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

2. Summary of significant accounting policies (Continued)

2.14 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.15 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employees benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.16 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

Right-of-use assets (Continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Company's right-of-use assets are presented within property, plant and equipment (Note 9)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings (Note 15).

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

As lessee (Continued)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

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.

2. Summary of significant accounting policies (Continued)

2.17 Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

(a) Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

(b) Entity acting as agent

The Company acts as an agent to provide a service of arranging for another party to transfer goods or services to a customer. The Company recognises a commission fee, being the % on the net amount of the sales referred.

2.18 Taxes

(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.

2. Summary of significant accounting policies (Continued)

2.18 Taxes (Continued)

(b) Deferred tax

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

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

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply 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 at the end of each 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.

2.19 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (Continued)

2.20 Related parties transactions

A 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 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).

(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 party 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 a 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.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(b) Determination of lease term of contracts with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the significant costs that would arise to replace the assets.

3. Significant accounting judgments and estimates (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Provision 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 rates. 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 changes 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. The information about the ECLs on the Company's trade receivables is disclosed in Note 28(a).

The carrying amount of the Company's trade receivables as at 31 March 2020 was 342,753 (2019: USD689,306)

(b) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 31 March 2020 was USD3,065,762 (2019: USD2,884,043).

4. Revenue

Disaggregation of revenue

Timing of transfer of good or service

	At a point in time USD
2020	
Trading of wooden board and allied products	9,725,012
Commission received	1,162,601
	10,887,613
2019	
Trading of wooden board and allied products	10,062,379

5. Other income

	2020 USD	2019 USD
Gain on disposal of joint ventures	-	119,630
Miscellaneous income	27,743	18,054
	27,743	137,684

6. Finance costs

	2020 USD	2019 USD
Lease interest	87,574	67,699
Other borrowing cost	-	35,333
	87,574	103,032

7. Loss before tax

Loss before tax has been arrived at after charging:

	2020 USD	2019 USD
Employee benefit expense:		
- Salaries, bonuses and other cost	817,909	801,974
- Contributions to Central Provident Fund	39,355	39,649
Depreciation	533,129	388,426
(Gain) / Loss on foreign exchange rate	(29,067)	38,929
Lease expenses	163,774	394,142

8. Income tax expense

No income tax payable has been made in the financial statements as there is no chargeable income for the financial year.

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2020 and 2019 were as follows:

	2020 USD	2019 USD
Profit/(loss) before tax	(244,774)	(1,126,634)
Income tax benefit at 17%	(41,612)	(191,528)
Income not subject to tax	-	(45,159)
Non-deductible expenses	9,198	77,731
Others	65,727	158,956
Benefits from previously unrecognised tax losses	(33,313)	-
	-	-

Unrecognised tax losses and capital allowances

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of USD3,096,350 (2019: USD2,896,322) and capital allowances of USD7,974 (2019: USD8,277) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

9. Property, plant and equipment

	Leasehold improvements	Furniture and fittings	Renovation	Office equipment	Motor vehicle	Total
	USD	USD	USD	USD	USD	USD
2020						
Cost:						
At 1 April 2019	-	112,136	188,878	53,650	3,528,177	3,882,841
Effect of adopting FRS116	714,848	-	-	-	-	714,848
As at 1 April 2019 (Restated)	714,848	112,136	188,878	53,650	3,528,177	4,597,689
Additions	-	-	-	-	-	-
At 31 March 2020	714,848	112,136	188,878	53,650	3,528,177	4,597,689
Accumulated depreciation:						
At 1 April 2018	-	81,270	50,311	18,395	848,822	998,798
Depreciation for the period	146,500	22,443	37,791	10,783	315,612	533,129
At 31 March 2020	146,500	103,713	88,102	29,178	1,164,434	1,531,927
Net carrying amount:						
At 31 March 2020	568,348	8,423	100,776	24,472	2,363,743	3,065,762

9. Property, plant and equipment (Continued)

	Leasehold improvements USD	Furniture and fittings USD	Renovation USD	Office equipment USD	Motor vehicle USD	Total USD
2019						
Cost:						
At 1 April 2018	-	112,136	187,807	60,007	3,528,177	3,888,127
Additions	-	-	1,071	3,738	-	4,809
Written off	-	-	-	(10,095)	-	(10,095)
At 31 March 2019	-	112,136	188,878	53,650	3,528,177	3,882,841
Accumulated depreciation:						
At 1 April 2018	-	58,827	12,520	11,579	533,210	616,136
Depreciation for the period	-	22,443	37,791	12,525	315,612	388,371
Written off	-	-	-	(5,709)	-	(5,709)
At 31 March 2019	-	81,270	50,311	18,395	848,822	998,798
Net carrying amount:						
At 31 March 2019	-	30,866	138,567	35,255	2,679,355	2,884,043

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18 (a).

Assets held under finance leases

During the financial year, the Company has the following property, plant and equipment under finance leases with net carrying value of USD1,586,391 (2019: USD1,840,227)

Finance lease liabilities of the company are effectively secured over the leased motor vehicles as the legal title is retained by the lessor and will be transferred to the company upon full settlement of the finance lease liabilities.

10. Investment in joint venture

	2020 USD	2019 USD
Unquoted equity shares, at cost	-	4,148,668
Share of post-acquisition result		
Share of profit / (loss)	-	(1,166,253)
Reversal of other comprehensive loss	-	647,956
Disposal of unquoted equity shares	-	(3,630,371)
	-	-

The investment in joint venture had been disposed for a consideration of USD3,750,000 as at 15.10.2018

Details of the joint venture

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2020	2019
Held by the Company:				
Greenply Akemal (Singapore) Pte. Ltd.	Singapore	Producing and marketing of wood and wooden product	-	50%

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Group as at 15.10.2018 (Date of disposal) and financial year ended 2018 as follows:

	2020 USD	15.10.2018 (Date of Disposal) USD
Assets and liabilities:		
Total assets	-	9,422,774
Total liabilities	-	3,457,945
Results:		
Revenue	-	8,161,432
Profit / (loss) for the year	-	292,025

11. Inventories

	2020 USD	2019 USD
Goods in transit	-	528,437

12. Trade receivables

	2020 USD	2019 USD
Trade receivables		
- Third parties	-	689,306
- Immediate and ultimate holding company	284,414	-
Trade receivables, net	284,414	689,306

Trade receivables are non-interest bearing and are generally on 60 days' terms.

There is no other class of financial assets that is past due and/or impaired.

13. Other receivables

	2020 USD	2019 USD
Advance to staff	641	10,604
Advance to suppliers	21,996	32,130
Other receivables	-	119,292
Prepayments	25,390	24,354
Security deposit	42,673	93,722
	90,700	280,102

Other receivables relate to the deposit paid for the letter of credit.

Advance to staff is interest free and repayable on demand.

14. Share capital

	2020		2019	
	No. of shares	USD	No. of shares	USD
Issued and fully paid ordinary shares				
At 1 April	7,000,000	7,000,000	8,925,000	8,925,000
Issuances of shares	750,000	750,000	1,825,000	1,825,000
Share capital reduction	-	-	(3,750,000)	(3,750,000)
At 31 March	7,750,000	7,750,000	7,000,000	7,000,000

During the current financial year, the Company issued 750,000 ordinary shares by way of cash.

The holder of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

15. Borrowings

	2020	2019
	USD	USD
Current:		
- Finance lease liabilities (secured) (Note 18b)	-	279,549
- Lease liabilities (secured) (Note 16)	396,827	-
	396,827	279,549
Non-current:		
- Finance lease liabilities (secured) (Note 18b)	-	869,447
- Lease liabilities (secured) (Note 16)	1,009,668	-
	1,406,495	1,148,996

15. Borrowings (Continued)

A reconciliation of liabilities from financing activities is as follows:

			Non-cash changes			
	1 April 2019 USD	Cash flows USD	Accretion of interests USD	Exchange Difference USD	Other USD	31 March 2020 USD
Lease liabilities						
- Current	438,343	(502,909)	87,574	(23,009)	396,828	396,827
- Non-current	1,425,501	-	-	(19,005)	(396,828)	1,009,668
	1,863,844	(502,909)	87,574	(42,014)	-	1,406,495

			Non-cash changes			
	1 April 2018 USD	Cash flows USD	Accretion of interests USD	Exchange Difference USD	Other USD	31 March 2019 USD
Finance lease liabilities						
- Current	266,097	(347,455)	67,699	13,659	279,549	279,549
- Non-current	1,120,636	-	-	28,360	(279,549)	869,447
	1,386,733	(347,455)	67,699	42,019	-	1,148,996

16. Trade payables

	2020 USD	2019 USD
Trade payables		
- Immediate and ultimate holding company	-	1,665,127

These amounts are non-interest bearing. Trade payables are normally settled on 60 days' terms.

17. Other payables

	2020 USD	2019 USD
Accrued operating expenses	9,149	9,658

18. Leases

Company as a lessee

The Company has lease contracts for office and motor vehicles. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

The Company also has certain leases of guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold improvement USD	Motor vehicles USD	Total USD
At 1 April 2019	714,848	1,840,227	2,555,075
Depreciation	(146,500)	(253,836)	(400,336)
At 31 March 2020	568,348	1,586,391	2,154,739

(b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 15 and the maturity analysis of lease liabilities is disclosed in Note 21.

18. Leases

Company as a lessee

(c) Amounts recognised in profit or loss

	2020 USD
Depreciation of right-of-use assets	400,336
Interest expense on lease liability (Note 6)	87,574
Lease expenses not capitalised in lease liability	
- Expenses relating to short-term leases (included in other operating expenses)	163,774
Total amount recognised in profit and loss	651,684

(d) Total cash outflow

The Company had total cash outflows for leases of USD666,683 in 2020.

19. Significant related parties transaction

Related parties refer to companies incorporated in Singapore, which certain directors have significant influence over the financial and operational aspects of the companies.

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2020 USD	2019 USD
Purchases from	7,547,536	8,371,095
General expenses	37,107	-
Commission received	1,162,601	-

Key management personnel is defined as follows:

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

Compensation of key management personnel

	2020 USD	2019 USD
Director's fee	2,948	4,376
Diretor's remuneration	263,100	264,795
	266,048	269,171

20. Commitments

(a) Operating lease commitments – as lessee

The Company leases office and guest house under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2019 USD
Within one year	230,754
Later than one year but not later than five years	120,642
	351,396

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2019 amounted to $394,142.

As disclosed in Note 2.2, the Company has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term leases.

(b) Finance lease commitments – as lessee

As at 31 March 2019, the Company leases its motor vehicles under finance leases.

The future minimum lease payments under finance leases and their present values are as follows:

	Minimum lease paymentS 2019 USD	Present value of minimum lease payments 2019 USD
No later than one year	347,198	279,549
Later than one year but not later than 5 years	1,039,107	830,117
Later than 5 years	49,214	39,330
Total minimum lease payments	1,435,519	1,148,996
Future finance charges	(286,523)	-
Present value of minimum lease payments	1,148,996	1,148,996
Portion classified as current liabilities	(279,549)	(279,549)
Non-current portion	869,447	869,447

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of FRS 116. The impact of adoption is disclosed in Note 2.2.

21. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the holding company. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

21. Financial risk management (Continued)

Credit risk (Continued)

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when there are indicators that there is no reasonable expectation of recovery. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. Where receivables have been written off, the Company continue to engage enforcement activity to attempt to recovery the receivable due. Where recoveries are made, these are recognised in profit or loss.

21. Financial risk management (Continued)

Credit risk (Continued)

The Company's current credit risk grading framework comprises the following categories:

Category	**Definition of category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL - credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

As at reporting date, no allowance for expected credit losses is required.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

21. Financial risk management (Continued)

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

21. Financial risk management (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

2020	Carrying amount USD	Contractual cash flow USD	One year or less USD	One to five years USD	Over five years USD
Financial assets:					
Trade receivables	284,414	284,414	284,414	-	-
Other receivables^	42,673	42,673	42,673	-	-
Cash and cash equivalents	249,672	249,672	249,672	-	-
Total undiscounted financial assets	576,759	576,759	576,759	-	-
Financial liabilities:					
Other payables	9,149	9,149	9,149	-	-
Borrowings	1,406,495	1,626,239	476,987	1,149,252	-
Total undiscounted financial liabilities	1,415,644	1,635,388	486,136	1,149,252	-
Total net undiscounted financial liabilities	(838,885)	(1,058,629)	90,623	(1,149,252)	-

^Other receivables exclude advance to staff, advance to suppliers and prepayments

21. Financial risk management (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

2019	Carrying amount	Contractual cash flow	One year or less	One to five years	Over five years
	USD	USD	USD	USD	USD
Financial assets:					
Trade receivables	689,306	689,306	689,306	-	-
Other receivables^	213,014	213,014	213,014	-	-
Cash and cash equivalents	211,571	211,571	211,571	-	-
Total undiscounted financial assets	1,113,891	1,113,891	1,113,891	-	-
Financial liabilities:					
Trade payables	1,665,127	1,665,127	1,665,127	-	-
Other payable	9,658	9,658	9,658	-	-
Borrowings	1,148,996	1,435,519	347,198	1,039,107	49,214
Total undiscounted financial liabilities	2,823,781	3,110,304	2,021,983	1,039,107	49,214
Total net undiscounted financial liabilities	(1,709,890)	(1,996,413)	(908,092)	(1,039,107)	(49,214)

^Other receivables exclude advance to staff, advance to suppliers and prepayments

21. Financial risk management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) ***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 interest rate risk arises primarily from their finance lease.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2020	2019
	USD	USD
Fixed rate instruments		
Financial liabilities	1,406,495	1,148,996

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year

(ii) ***Foreign currency risk***

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar (SGD).

21. Financial risk management (Continued)

Market risk (Continued)

(ii) *Foreign currency risk (Continued)*

The Company's currency exposures to the SGD at the reporting date were as follows:

		2020	
	USD	SGD	Total
	USD	USD	USD
Financial assets:			
Trade receivables	284,414	-	284,414
Other receivables (exclude advance payment to suppliers, advance payment to staff and prepayments)	-	42,673	42,673
Cash and cash equivalents	233,353	16,319	249,672
	517,767	58,992	576,759
Financial liabilities:			
Other payables	-	9,149	9,149
Lease liabilities	-	1,406,495	1,406,495
Total undiscounted financial liabilities	-	1,415,644	1,415,644
Net financial assets / (liabilities)	517,767	(1,356,652)	(838,885)
Less: Net financial assets denominated in their respective currencies	(517,767)	-	(517,767)
	-	(1,356,652)	(1,356,652)

21. Financial risk management (Continued)

Market risk (Continued)

(ii) *Foreign currency risk (Continued)*

	USD	2019 SGD	Total
	USD	USD	USD
Financial assets:			
Trade receivables	689,306	-	689,306
Other receivables (exclude advance payment to suppliers, advance payment to staff and prepayments)	119,292	93,722	213,014
Cash and cash equivalents	159,078	52,493	211,571
	967,676	146,215	1,113,891
Financial liabilities:			
Trade payables	1,665,127	-	1,665,127
Other payables	-	9,658	9,658
Finance lease	-	1,148,996	1,148,996
	1,665,127	1,158,654	2,823,781
Net financial liabilities	(697,451)	(1,012,439)	(1,709,890)
Less: Net financial liabilities denominated in their respective currencies	697,451	-	697,451
	-	(1,012,439)	(1,012,439)

A 10% strengthening of United States dollar against the foreign currencies denominated balances as at the reporting date would decrease loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Loss before tax	
	2020	2019
	USD	USD
Singapore dollar	(135,665)	(101,244)

A 10% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

22. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables, and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Finance lease and lease liabilities

The carrying amounts of finance lease approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

23. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2020 USD	2019 USD
Financial assets at amortised cost		
Trade receivables	284,414	689,306
Other receivables (exclude advance payment to suppliers, advance payment to staff and prepayments)	42,673	213,014
Cash and cash equivalents	249,672	211,571
Total financial assets at amortised cost	576,759	1,113,891
Financial liabilities at amortised cost		
Trade payables	-	1,665,127
Other payables	9,149	9,658
Finance lease	-	1,148,996
Lease liabilities	1,406,495	-
Total financial liabilities at amortised cost	1,415,644	1,158,654

24. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

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 may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2019

The Company's overall strategy remains unchanged from 2019.

25. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 20 May 2020.

GREENPANEL SINGAPORE PTE. LTD.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 USD	2019 USD
Revenue		
Sales	9,725,012	10,062,379
Commission	1,162,601	-
	10,887,613	10,062,379
Less: Cost of sales		
Goods in transit	528,437	(528,437)
Purchases	8,255,601	9,663,106
Other cost of sales	178,477	115,365
	8,962,515	9,250,034
Gross profit	1,925,098	812,345
Add: Other income		
Gain on disposal of joint ventures	-	119,630
Miscellaneous income	26,041	18,054
Share of profit from joint venture	-	146,013
Wages credit	1,702	-
	27,743	283,697
Less: Operating expenses (See schedule attached)		
Administrative expenses	860,212	841,623
Other operating expenses	1,249,829	1,278,021
Finance costs	87,574	103,032
	2,197,615	2,222,676
Loss before tax	(244,774)	(1,126,634)

The above statements do not form part of the audited statutory financial statements of the Company.

GREENPANEL SINGAPORE PTE. LTD.

SCHEDULE OF OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 USD	2019 USD
Administration costs		
Director remuneration	263,100	269,171
Director fee	2,948	-
Salaries and bonus	548,732	526,918
CPF	39,355	39,649
SDL	710	725
Medical expenses	5,367	5,160
	860,212	841,623
Administrative and other operating expenses		
Audit fees	9,346	10,456
Bank charges	66,027	64,879
Books abd periodicals	471	-
Car up-keep expenses	83,173	24,563
Courier and postage	7,217	6,234
Depreciation	533,129	388,426
Fixed assets written off	-	5,324
General expenses	150,798	162,615
Insurance	25,803	26,891
Loss on disposal of fixed assets	-	-
Loss on exchange rate	(29,067)	38,929
PUB	20,525	23,734
Refreshment	237	240
Rental	163,774	394,142
Repair and maintenance	106,184	11,676
Stationery and printing	2,056	2,923
Legal and professional fee	22,539	24,511
Telecom charges	26,458	24,893
Travel expenses	61,159	67,585
	1,249,829	1,278,021
Finance costs		
Finance lease interest	67,049	67,699
Lease liabilities interest	20,525	-
Other borrowing cost	-	35,333
	87,574	103,032