

GREENPANEL SINGAPORE PTE. LTD.
Company Registration No. 201323926C

**Directors' Statement And Financial Statements For The
Financial Year Ended 31 March 2019**

TABLE OF CONTENTS	PAGE
Directors' Statement	1 - 3
Independent Auditor's Report	4 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 41

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

The directors are pleased to 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 2019.

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 2019 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
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.

**DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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:

Name of directors	<u>Deemed interest</u>	
	<u>At the beginning of the financial year</u>	<u>At the end of the financial year</u>
Ordinary shares of the holding company		
Greenply Industries Limited (India)		
Rajesh Mittal	3,079,900	3,079,900
Rajesh Mittal (Held by S.M Management Pvt Ltd, Interest as Director)	31,626,965	31,626,965
Karuna Mittal (Spouse of Rajesh Mittal)	680,000	680,000
Sanidhya Mittal (Son of Rajesh Mittal)	90,000	90,000
Shobhan Mittal	739,000	739,000
Shobhan Mittal (On behalf of Trade Combines, Partnership Firm)	9,275,330	9,275,330
Shobhan Mittal (Held by Prime Holdings Private Limited, Interest as Director)	12,042,800	12,042,800
Shobhan Mittal (Held by Vanashree Properties Private Limited, Interest as Director)	1,448,055	1,448,055

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.

GREENPANEL SINGAPORE PTE. LTD.

**DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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

Pursuant to an Extraordinary General Meeting on 15 November 2018, CA TRUST PAC were appointed as auditors of the Company.


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

On behalf of the Board of Directors



SHOBHAN MITTAL
Director

Date: 09 MAY 2019



RAJESH MITTAL
Director

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 2019, 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 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended 31st March 2018 were audited by another firm of chartered accountants whose report dated 28th May 2018 expressed a *Qualified Opinion* on these financial statements. The basis for *Qualified Opinion* is, amongst other things, the inability to obtain appropriate and sufficient audit evidence pertaining to the recoverability of the advances to suppliers and whether provision for impairment is required for the cost of investment in the Joint Venture Company. We have issued an unqualified opinion on the financial statements for the financial year ended 31 March 2019 as the investment in joint ventures has been disposed during the current financial year ended and the advances to suppliers has been written off during the current financial year ended. There is no any effect of this matter on the comparability of the current period's figure and the corresponding figures and we were able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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.

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

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.

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)

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: 09 MAY 2019

GREENPANEL SINGAPORE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	<u>2019</u> USD	<u>2018</u> USD
Revenue	4	10,062,379	6,312,877
Cost of sales		<u>(9,250,034)</u>	<u>(5,915,947)</u>
Gross profit		812,345	396,930
Other income	5	137,684	32,968
Share of profit / (loss) from joint ventures		146,013	(1,178,678)
Administrative expenses		(841,623)	(739,470)
Other operating expenses		(1,278,021)	(1,224,642)
Finance costs	6	<u>(103,032)</u>	<u>(140,666)</u>
Loss before tax	7	(1,126,634)	(2,853,558)
Income tax expense	8	<u>-</u>	<u>-</u>
Loss for the year, representing total comprehensive income for year		<u><u>(1,126,634)</u></u>	<u><u>(2,853,558)</u></u>

GREENPANEL SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 USD	2018 USD
ASSETS			
Non-current assets			
Plant and equipment	9	2,884,043	3,271,991
Investment in joint venture	10	-	2,836,402
		<u>2,884,043</u>	<u>6,108,393</u>
Current assets			
Inventories	11	528,437	169,188
Trade receivables	12	689,306	292,536
Other receivables	13	280,102	320,057
Cash and cash equivalents		211,571	180,326
		<u>1,709,416</u>	<u>962,107</u>
Total assets		<u>4,593,459</u>	<u>7,070,500</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	7,000,000	8,925,000
Accumulated losses		(5,230,322)	(4,103,688)
Translation reserve		-	(647,955)
Total equity		<u>1,769,678</u>	<u>4,173,357</u>
Non-current liabilities			
Finance leases	15	869,447	1,120,636
		<u>869,447</u>	<u>1,120,636</u>
Current liabilities			
Amount owing to a banker	16	-	100,000
Finance leases	15	279,549	266,097
Trade payables	17	1,665,127	1,315,566
Other payables	18	9,658	94,844
		<u>1,954,334</u>	<u>1,776,507</u>
Total equity and liabilities		<u>4,593,459</u>	<u>7,070,500</u>

GREENPANEL SINGAPORE PTE. LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Share capital USD	Accumulated losses USD	Translation Reserves	Total USD
At 1 April 2017	8,325,000	(1,250,130)	(647,955)	6,426,915
Loss for the year, representing total comprehensive income for the year	-	(2,853,558)	-	(2,853,558)
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share capital issued	600,000	-	-	600,000
Total contributions by and distributions to owners / Total transactions with owners	600,000	-	-	600,000
At 31 March 2018	8,925,000	(4,103,688)	(647,955)	4,173,357
At 1 April 2018	8,925,000	(4,103,688)	(647,955)	4,173,357
Loss for the year, representing total comprehensive income for the year	-	(1,126,634)	-	(1,126,634)
Reversal of other comprehensive loss from joint venture	-	-	647,955	647,955
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
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

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

GREENPANEL SINGAPORE PTE. LTD.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	<u>2019</u> USD	<u>2018</u> USD
Cash flows from operating activities		
Loss before tax	(1,126,634)	(2,853,558)
Adjustments for:		
Fixed assets written off	4,331	132,327
Depreciation	388,426	384,915
Interest expenses	67,699	66,703
Gain on disposal of joint ventures	(119,630)	
	(785,808)	(2,269,613)
Changes in working capital:		
Goods in transit	(359,249)	(137,533)
Trade receivables	(396,770)	(138,946)
Other receivables	39,955	184,176
Trade payables	349,561	736,262
Other payables	(85,186)	8,684
Cash generated from operations	<u>(1,237,497)</u>	<u>(1,616,970)</u>
Interest paid	(67,699)	(66,703)
Net cash used in operating activities	<u>(1,305,196)</u>	<u>(1,683,673)</u>
Cash flows from investing activities		
Share of profit of joint venture	(146,013)	1,178,678
Purchase of fixed assets	(4,809)	(714,266)
Proceed from disposal of fixed assets	-	388,613
Proceed from disposal of joint ventures	3,750,000	-
Net cash generated from investing activities	<u>3,599,178</u>	<u>853,025</u>
Cash flows from financing activities		
Proceeds from share issue	1,825,000	600,000
Paid back for share reduction	(3,750,000)	-
Amount due from related party	-	1,500,000
Amount due to related party	-	(1,021,023)
Amounts owing to banker	(100,000)	(675,223)
Finance lease	(237,737)	(178,277)
Net cash (used in) / generated from financing	<u>(2,262,737)</u>	<u>225,477</u>
Net increase / (decrease) in cash and cash	31,245	(605,171)
Cash and cash equivalents at 1 April	180,326	785,497
Cash and cash equivalents at 31 March	<u>211,571</u>	<u>180,326</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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 liability company which is incorporated and domiciled in Singapore with its registered office and principal place of business at 1 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 Greenply 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 revised standards

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 2018.

Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2018, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods beginning on
FRS 116 Leases	1 January 2019
INT FRS 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined
Amendments to FRS 109 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to FRS 28 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 <i>Business Combinations</i>	1 January 2019
- Amendments to FRS 111 <i>Joint Arrangements</i>	1 January 2019
- Amendments to FRS 12 <i>Income Taxes</i>	1 January 2019
- Amendments to FRS 23 <i>Borrowing Costs</i>	1 January 2019
FRS 117 <i>Insurance Contracts</i>	1 January 2021
Amendments to FRS 19 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

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 period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective (Continued)

FRS 116 Leases

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the entity's non-cancellable operating lease commitments as at 31 March 2019 shown in Note 20, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases. Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (Continued)

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of 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 plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the 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:

	<u>Depreciation percentage factor</u>
Furniture and fittings	5 years
Renovation	5 years
Office equipment	5 years
Motor vehicles	10 /16 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

2. Summary of significant accounting policies (Continued)

2.7 Impairment of non-financial assets (Continued)

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.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

2. Summary of significant accounting policies (Continued)

2.8 Joint Venture (Continued)

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.

2.9 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

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

(b) 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.

2.10 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 receivables and contract assets, 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.

The Company considers a financial asset in default when contractual payments are 60 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. Summary of significant accounting policies (Continued)

2.11 Cash and cash equivalents

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

2.12 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.

2.13 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.

2.14 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)

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 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.

2.17 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 exists, 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.

Sales 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).

2. Summary of significant accounting policies (Continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (Continued)

2.19 Leases

As lessee

Finance leases, which transfers 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 item 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 directly to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the 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.

2.20 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.

2.21 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);

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Summary of significant accounting policies (Continued)

2.21 Related parties transactions (Continued)

A party is defined as follows: (Continued)

(b) An entity is related to the Company if any of the following conditions applies:

- (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

Determination of functional currency

In determining the functional currency of the Company, judgment 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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) Impairment of loans and receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. 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 certain 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. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amounts of the Company's trade and other receivables (exclude advance payment to suppliers and prepayments) as at 31 March 2019 were USD912,924 (2018: USD530,374).

(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 2019 was USD2,884,043 (2018: USD3,271,991).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. Revenue

Revenue represents the income from the wholesale trading, including import and export of wooden board and allied products, net of discount allowed and returns.

5. Other income

	<u>2019</u> USD	<u>2018</u> USD
Gain on disposal of joint venture	119,630	-
Miscellaneous Income	18,054	32,968
	<u>137,684</u>	<u>32,968</u>

6. Finance cost

	<u>2019</u> USD	<u>2018</u> USD
Bank interest	20,265	60,209
Hire purchases interest	67,699	66,703
Other borrowing cost	15,068	13,754
	<u>103,032</u>	<u>140,666</u>

7. Loss before tax

Loss before tax has been arrived at after charging:

	<u>2019</u> USD	<u>2018</u> USD
Employee benefits expense:		
- Salaries, bonuses and other cost	801,974	705,153
- Contributions to central provident fund	39,649	34,317
Depreciation	388,426	384,915
Fixed assets written off	5,324	62,548
Loss on disposal of property, plant and equipment	-	111,953
Loss on exchange loss	38,929	107,733
Rental	394,142	248,326
	<u>394,142</u>	<u>248,326</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 2019 and 2018 were as follows:

	<u>2019</u> USD	<u>2018</u> USD
Loss before tax	<u>(1,126,634)</u>	<u>(2,853,558)</u>
Income tax benefit at 17%	(191,528)	(485,105)
Tax effect of:		
Non-deductible expenses	77,731	100,480
Income not subject to tax	(45,159)	(200,375)
Deferred tax assets not recognised	<u>158,956</u>	<u>585,000</u>
	<u>-</u>	<u>-</u>

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 USD2,896,322 (2018: USD1,948,498) and capital allowances of USD8,277 (2018: USD8,223) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

GREENPANEL SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. Plant and equipment	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
(Disposal) / (written off)	-	-	(10,095)	-	(10,095)
At 31 March 2019	112,136	188,878	53,649	3,528,177	3,882,840
Accumulated depreciation					
At 1 April 2018	58,827	12,520	11,579	533,210	616,136
Depreciation	22,443	37,791	12,525	315,612	388,371
(Disposal) / (written off)	-	-	(5,709)	-	(5,709)
At 31 March 2019	81,270	50,311	18,395	848,822	998,798
Carrying amount					
At 31 March 2019	30,866	138,567	35,255	2,679,355	2,884,043

GREENPANEL SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. Plant and equipment (Continued)

	Furniture and Fittings USD	Renovation USD	Office Equipment USD	Motor Vehicle USD	Total USD
2018					
Cost					
At 1 April 2017	112,136	111,764	23,758	3,624,113	3,882,840
Additions	-	187,807	36,249	490,210	714,266
(Disposal) / (written off)	-	(111,764)	-	(586,146)	(697,910)
At 31 March 2018	112,136	187,807	60,007	3,528,177	3,888,127
Accumulated depreciation					
At 1 April 2017	36,383	32,422	4,451	334,936	998,798
Depreciation	22,444	29,314	7,128	326,029	384,915
(Disposal) / (written off)	-	(49,216)	-	(127,755)	(176,971)
At 31 March 2018	58,827	12,520	11,579	533,210	616,136
Carrying amount					
At 31 March 2018	53,309	175,287	48,428	2,994,967	3,271,991

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 USD1,840,227 (2018: USD2,094,063)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

10. Investment in joint venture

	<u>2019</u> USD	<u>2018</u> USD
Unquoted equity shares, at cost	4,148,668	4,148,668
<i>Share of post-acquisition result</i>		
Share of profit / (loss)	<u>(1,166,253)</u>	<u>(1,312,266)</u>
Reversal of other comprehensive loss	647,956	-
Disposal of unquoted equity shares	<u>(3,630,371)</u>	-
	<u>-</u>	<u>2,836,402</u>

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	
			<u>2019</u>	<u>2018</u>
<i>Held by the Company:</i>				
Greenply Akemal (Singapore) Pte. Ltd.	Singapore	Producing and marketing of wood and wooden product	<u>-</u>	<u>50%</u>

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:

	<u>15.10.2018</u> <u>(Date of Disposal)</u> USD	<u>2018</u> USD
Assets and liabilities:		
Total assets	<u>9,422,774</u>	<u>8,338,805</u>
Total liabilities	<u>3,457,945</u>	<u>2,666,001</u>
Results:		
Revenue	<u>8,161,432</u>	<u>10,814,095</u>
Profit / (loss) for the year	<u>292,025</u>	<u>(2,357,355)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

11. Inventories

	<u>2019</u> USD	<u>2018</u> USD
Goods in transit	<u>528,437</u>	<u>169,188</u>

12. Trade receivables

	<u>2019</u> USD	<u>2018</u> USD
Trade receivables:		
- Third parties	<u>689,306</u>	<u>292,536</u>

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.

The trade receivables 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.

13. Other receivables

	<u>2019</u> USD	<u>2018</u> USD
Prepayments	24,354	21,736
Advance to staff	10,604	4,200
Advance to suppliers	32,130	60,483
Security Deposit	93,722	116,383
Other receivables	<u>119,292</u>	<u>117,255</u>
	<u>280,102</u>	<u>320,057</u>

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

Advance to staff is interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

14. Share capital

	<u>2019</u>		<u>2018</u>	
	No. of share	USD	No. of share	USD
Issued and fully paid ordinary shares				
At 1 April	8,925,000	8,925,000	8,325,000	8,325,000
Issuances of shares	1,825,000	1,825,000	600,000	600,000
Share capital reduction	(3,750,000)	(3,750,000)	-	-
At 31 March	<u>7,000,000</u>	<u>7,000,000</u>	<u>8,925,000</u>	<u>8,925,000</u>

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. Finance lease

	<u>Minimum Payments</u>		<u>Present Value of Payments</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	USD	USD	USD	USD
Minimum lease payments payable:				
- Within one year	347,198	330,393	279,549	266,097
- After one year but not more than five years	1,039,107	1,189,035	830,117	969,022
- More than five years	49,214	213,066	39,330	151,614
	<u>1,435,519</u>	<u>1,732,494</u>	<u>1,148,996</u>	<u>1,386,733</u>
Finance charges	(286,523)	(345,761)	-	-
	<u>1,148,996</u>	<u>1,386,733</u>	<u>1,148,996</u>	<u>1,386,733</u>

Finance lease liabilities of the company are effectively secured over the leased plant and equipment, and motor vehicles (Note 9) as the legal title is retained by the lessor and will be transferred to the company upon full settlement of the finance lease liabilities.

The approximate annual effective interest rate incurred during the financial year was 4.34% to 7.42% (2018: 4.34% to 7.42%).

16. Amounts owing to a banker

Amounts owing to banker related to the short-term loan for working capital purpose. The interest rate is based on market conditions and repayable within 6 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

17. Trade payables

	<u>2019</u> USD	<u>2018</u> USD
Trade payables:		
- Holding company	<u>1,665,127</u>	<u>1,315,566</u>

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

18. Other payables

	<u>2019</u> USD	<u>2018</u> USD
Provision for audit fee	9,658	8,600
Advance from customers	-	86,244
	<u>9,658</u>	<u>94,844</u>

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:

	<u>2019</u> USD	<u>2018</u> USD
<u>With holding company</u>		
Purchases from	<u>8,371,095</u>	<u>4,488,648</u>

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

	<u>2019</u> USD	<u>2018</u> USD
Directors' fees	4,376	4,202
Directors' remuneration	<u>264,795</u>	<u>252,108</u>
	<u>269,171</u>	<u>256,310</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20. Operating lease commitments

The Company leases office, apartment and equipment 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:

	<u>2019</u> USD	<u>2018</u> USD
No later than one year	264,386	374,038
Later than one year but not later than five years	<u>147,765</u>	<u>342,214</u>
	<u>412,151</u>	<u>716,252</u>

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 interest rate risk and foreign currency risk).

The Board of 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 has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

For expected credit losses on trade receivables, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing components. An ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

21. Financial risk management (Continued)

Credit risk (Continued)

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.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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.

GREENPANEL SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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.

	2019			
	Contractual cash flows USD	One year or less USD	Two to five years USD	Five years or more USD
Financial assets				
Trade receivables	689,306	689,306	-	-
Other receivables (excluded advance to suppliers and prepayments)	223,618	223,618	-	-
Cash and cash equivalents	211,571	211,571	-	-
Total undiscounted financial assets	1,124,495	1,124,495	-	-
Financial liabilities				
Trade payable	1,665,127	1,665,127	-	-
Other payable	9,658	9,658	-	-
Finance lease	1,435,519	347,198	1,039,107	49,214
Total undiscounted financial liabilities	3,110,304	2,021,983	1,039,107	49,214
Total net undiscounted financial liabilities	(1,985,809)	(897,488)	(1,039,107)	(49,214)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

21. Financial risk management (Continued)

Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	2018			
	Contractual cash flows USD	One year or less USD	Two to five years USD	Five years or more USD
<u>Financial assets</u>				
Trade receivables	292,536	292,536	-	-
Other receivables (excluded advance to suppliers and prepayments)	237,838	237,838	-	-
Cash and cash equivalents	180,326	180,326	-	-
Total undiscounted financial assets	710,700	710,700	-	-
<u>Financial liabilities</u>				
Trade payable	1,315,566	1,315,566	-	-
Other payable (excluded advance from customers)	8,600	8,600	-	-
Finance lease	1,732,494	330,393	1,189,035	213,066
Amount owing to a banker	100,000	100,000	-	-
Total undiscounted financial liabilities	3,156,660	1,754,559	1,189,035	213,066
Total net undiscounted financial liabilities	(2,445,960)	(1,043,859)	(1,189,035)	(213,066)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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:

	<u>2019</u> USD	<u>2018</u> USD
<u>Fixed rate instruments</u>		
Financial liabilities	<u>1,435,519</u>	<u>1,732,494</u>

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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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:

	USD USD	2019 SGD USD	Total USD
<u>Financial assets</u>			
Trade receivables	689,306	-	689,306
Other receivables (excluded advance to suppliers and prepayments)	119,292	104,326	223,618
Cash and cash equivalents	159,078	52,493	211,571
	<u>967,676</u>	<u>156,819</u>	<u>1,124,495</u>
<u>Financial liabilities</u>			
Trade payable	1,665,127	-	1,665,127
Other payable (excluded advance from customers)	-	9,658	9,658
Finance lease	-	1,435,519	1,435,519
	<u>1,665,127</u>	<u>1,445,177</u>	<u>3,110,304</u>
Net financial assets / (liabilities)	(697,451)	(1,288,358)	(1,985,809)
Less: Net financial liabilities denominated in their respective functional currencies	697,451	-	697,451
	<u>-</u>	<u>(1,288,358)</u>	<u>(1,288,358)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

21. Financial risk management (Continued)

Market risk (Continued)(ii) *Foreign currency risk (Continued)*

	USD USD	<u>2018</u> SGD USD	Total USD
<u>Financial assets</u>			
Trade receivables	292,536	-	292,536
Other receivables (excluded advance to suppliers and prepayments)	117,255	120,583	237,838
Cash and cash equivalents	141,945	38,381	180,326
	<u>551,736</u>	<u>158,964</u>	<u>710,700</u>
<u>Financial liabilities</u>			
Trade payable	1,315,566	-	1,315,566
Other payable (excluded advance from customers)	-	8,600	8,600
Finance lease	-	1,732,494	1,732,494
Amount owing to a banker	-	100,000	100,000
	<u>1,315,566</u>	<u>1,841,094</u>	<u>3,156,660</u>
Net financial assets / (liabilities)	(763,830)	(1,682,130)	(2,445,960)
Less: Net financial liabilities denominated in their respective functional currencies	763,830	-	763,830
	<u>-</u>	<u>(1,682,130)</u>	<u>(1,682,130)</u>

A 10% strengthening of Singapore 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	
	<u>2019</u> USD	<u>2018</u> USD
Singapore Dollar	<u>(128,836)</u>	<u>(168,213)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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, other payables, and amount owing to a banker

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

23. Financial instruments by category

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

	<u>2019</u> USD	<u>2018</u> USD
Financial assets		
Financial assets at amortised cost		
Trade receivables	689,306	292,536
Other receivables (excluded advance to suppliers and prepayments)	223,618	237,838
Cash and cash equivalents	211,571	180,326
At end of the year	<u>1,124,495</u>	<u>710,700</u>
Financial liabilities		
Financial liabilities at amortised cost		
Trade payable	1,665,127	1,315,566
Other payable (excluded advance from customers)	9,658	8,600
Finance lease	1,148,996	1,386,733
Amount owing to a banker	-	100,000
At end of the year	<u>2,823,781</u>	<u>2,710,899</u>

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 2019 and 31 March 2018.

The Company's overall strategy remains unchanged from 2018.

25. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 09.05.2019.