



GREENPANEL SINGAPORE PTE. LTD.

Unique Entity Number: 201323926C

AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

GREENPANEL SINGAPORE PTE. LTD.

DIRECTOR'S STATEMENT AND AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

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GREENPANEL SINGAPORE PTE. LTD.

DIRECTOR'S STATEMENT

for the financial year ended 31 March 2021

The director present the statement to the shareholder together with the audited financial statements of Greenpanel Singapore Pte. Ltd. (the "Company") for the financial year ended 31 March 2021.

Opinion of the director

In the opinion of the director,

- a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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.

Directors

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

Anwardeen Ziaudeen (Resigned on 29 July 2020)
Shobhan Mittal

Arrangements to enable director to acquire shares and 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 director of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Director's interest in shares and debentures

The following director who held office at the end of the financial year, had, according to the register of Director's shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as follows:

<u>Name of director</u>	<u>Deemed interest</u>	
	<u>At beginning of financial year</u>	<u>At end of financial year</u>
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	13,332,800
Shobhan Mittal (Held by Vanashree Properties Private Limited, Interest as Director)	3,116,055	3,116,055
Shobhan Mittal (Held by Bluesky Projects Private Limited, Interest as Director)	375,000	375,000

Except as disclosed in this statement, no other director who held office at the end of the financial year has interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

GREENPANEL SINGAPORE PTE. LTD.

DIRECTOR'S STATEMENT

for the financial year ended 31 March 2021

Share options

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

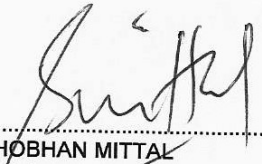
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

Auditors

Pursuant to an Annual General Meeting on 23 June 2020, Kreston Ardent CAtrust Pac were appointed as auditors of the Company.

Kreston Ardent CAtrust PAC have expressed their willingness to accept re-appointment as auditors.



.....
SHOBHAN MITTAL
Director

Signed on: *30.04.2021*



Kreston Ardent CAtrust PAC

Chartered Accountants of Singapore
(UEN 20200100D)
30 Cecil Street #15-03/04 Prudential Tower
Singapore 049712
Tel: (65) 6356 9098 / (65) 6336 8772
www.krestonaca.com.sg

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
GREENPANEL SINGAPORE PTE. LTD.**

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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 as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

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

Independence

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.

Other Information

Management is responsible for the other information. The other information comprises the Director's 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.



2014 Winner
Practice of the Year
Excellence in People Development



2016 Winner
Best Practice Award
Outstanding Growth Award

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
GREENPANEL SINGAPORE PTE. LTD.**

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Responsibilities of Management and Director 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 FRSSs, 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 Director's responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
GREENPANEL SINGAPORE PTE. LTD.**

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Auditor's 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: (Continued)

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

Report on Other Legal and Regulatory Requirements

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



KRESTON ARDENT CATRUST PAC

Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Chua Soo Rui

Date: 30.04.2021

GREENPANEL SINGAPORE PTE. LTD.**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***for the financial year ended 31 March 2021*

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
Revenue	4	1,710,333	10,887,613
Cost of sales		<u>(181,349)</u>	<u>(8,962,515)</u>
Gross profit		1,528,984	1,925,098
Other income	5	116,706	27,743
Administrative expenses		(693,547)	(860,212)
Other operating expenses		(1,674,463)	(1,249,829)
Finance costs	6	<u>(271,186)</u>	<u>(87,574)</u>
Loss before tax	7	(993,506)	(244,774)
Income tax expense	8	<u>-</u>	<u>-</u>
Loss for the year, representing total comprehensive loss for the year		<u>(993,506)</u>	<u>(244,774)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GREENPANEL SINGAPORE PTE. LTD.**STATEMENT OF FINANCIAL POSITION***as at 31 March 2021*

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
<u>Assets</u>			
Non-current asset			
Property, plant and equipment	9	4,287,184	3,065,762
Total non-current asset		<u>4,287,184</u>	<u>3,065,762</u>
Current assets			
Trade receivables	10	242,826	284,414
Other receivables	11	121,036	90,700
Cash and cash equivalents	12	56,016	249,672
Total current assets		<u>419,878</u>	<u>624,786</u>
Total assets		<u>4,707,062</u>	<u>3,690,548</u>
<u>Equity and liabilities</u>			
Equity			
Share capital	13	7,750,000	7,750,000
Retained earnings		<u>(6,468,602)</u>	<u>(5,475,096)</u>
Total equity		<u>1,281,398</u>	<u>2,274,904</u>
Non-current liability			
Borrowings	14	2,866,874	1,009,668
Total non-current liability		<u>2,866,874</u>	<u>1,009,668</u>
Current liabilities			
Accrued operating expenses		9,673	9,149
Borrowings	14	549,117	396,827
Total current liabilities		<u>558,790</u>	<u>405,976</u>
Total liabilities		<u>3,425,664</u>	<u>1,415,644</u>
Total equity and liabilities		<u>4,707,062</u>	<u>3,690,548</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GREENPANEL SINGAPORE PTE. LTD.

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

	<u>Share capital</u> USD	<u>Retained earnings</u> USD	<u>Total</u> USD
At 1 April 2019	7,000,000	(5,230,322)	1,769,678
Issuance of shares	750,000	-	750,000
Loss for the year, representing the total comprehensive loss for the year	-	(244,774)	(244,774)
At 31 March 2020	7,750,000	(5,475,096)	2,274,904
Loss for the year, representing the total comprehensive loss for the year	-	(993,506)	(993,506)
At 31 March 2021	7,750,000	(6,468,602)	1,281,398

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GREENPANEL SINGAPORE PTE. LTD.**STATEMENT OF CASH FLOWS***for the financial year ended 31 March 2021*

	<u>2021</u> USD	<u>2020</u> USD
Cash flows from operating activities		
Loss before tax	(993,506)	(244,774)
Adjustments for:		
Depreciation of property, plant and equipment	643,206	533,129
Interest expense	271,186	87,574
Loss on disposal of property, plant and equipment	461,403	-
Operating cash flows before working capital changes	<u>382,289</u>	<u>375,929</u>
Goods in transit	-	528,437
Trade receivables	41,588	404,892
Other receivables	(30,336)	189,402
Trade payables	-	(1,665,127)
Accrued operating expenses	524	(509)
Net cash flows generated from/(used in) operating activities	<u>394,065</u>	<u>(166,976)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(75,268)	-
Proceeds from disposal of property, plant and equipment	<u>901,551</u>	<u>-</u>
Net cash flows generated from investing activities	<u>826,283</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	750,000
Payment of principal portion of lease liabilities (Note 14)	(1,142,818)	(457,349)
Lease interest paid	(271,186)	(87,574)
Net cash flows (used in)/generated from financing activities	<u>(1,414,004)</u>	<u>205,077</u>
Net (decrease)/increase in cash and cash equivalents	(193,656)	38,101
Cash and cash equivalents at the beginning of the year	<u>249,672</u>	<u>211,571</u>
Cash and cash equivalents at the end of the year	<u>56,016</u>	<u>249,672</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

1. Corporate information

Greenpanel Singapore Pte. Ltd. is a private limited by shares company incorporated and domiciled in Singapore. The immediate and ultimate parent company is Greenpanel Industries Limited, which is incorporated in India.

The registered office and principal place of business of the Company is located 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.

The financial statements of the Company for the current financial year were approved and authorised for issue in accordance with a resolution of the director on date of the Director's Statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs"). 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 States Dollar ("USD") which is the Company's functional currency. All financial information is presented in units, unless otherwise stated.

2.2 Adoption of new and amended standards and interpretations.

The accounting policies adopted are consistent with those of the previous financial period except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2020. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 109, FRS 39, FRS 107, FRS 104, FRS 116 <i>interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to FRS 103 <i>References to Conceptual Framework</i>	1 January 2022
Amendments to FRS 16 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective (Continued)

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

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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of 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 computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	5 years
Renovation	5 years
Office equipment	5 years
Motor vehicles	7/10/16 years
Leasehold improvements	4.83 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, 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 de-recognition 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, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.6 Impairment of non-financial assets (Continued)

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.

2.7 Financial instruments

a) Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL. The Company only has debt instruments at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.7 Financial instruments (Continued)

a) Financial assets (Continued)

De-recognition

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

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

De-recognition

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

2.8 Impairment of financial assets

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

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”).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.8 Impairment of financial assets (Continued)

For trade receivables, 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 debtors' ability to pay.

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.

2.9 Cash and cash equivalents

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

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.12 Employee benefits

a) Defined contribution plan

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 employee 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.

2.13 Leases

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.

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 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.13 Leases (Continued)

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.

2.14 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.15 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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

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

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

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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2. Summary of significant accounting policies (Continued)

2.17 Related parties transactions

A party is related to an entity if:

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

3. Significant accounting judgments and estimates (Continued)

3.1 Judgments made in applying accounting policies

a) 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.

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 judgment 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.

3.2 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.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***3. Significant accounting judgments and estimates (Continued)****3.2 Key sources of estimation uncertainty (Continued)****a) Provision for expected credit losses of trade receivables (Continued)**

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 19.

The carrying amount of the Company's trade receivables as at 31 March 2021 was USD 242,826 (2020: USD 284,414).

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 2021 was USD 4,287,184 (2020: USD 3,065,762).

4. Revenue

Disaggregation of revenue

	<u>2021</u> USD	<u>2020</u> USD
Trading of wooden board and allied products	105,471	9,725,012
Commission received	1,604,862	1,162,601
	<u>1,710,333</u>	<u>10,887,613</u>
	<u>2021</u> USD	<u>2020</u> USD
<u>Timing of goods or services rendered:</u>		
At point in time	1,710,333	10,887,615
	<u>1,710,333</u>	<u>10,887,615</u>

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***5. Other income**

	<u>2021</u> USD	<u>2020</u> USD
Other income	-	-
Government grants	68,797	-
Miscellaneous income	47,909	27,743
	<u>116,706</u>	<u>27,743</u>

6. Finance costs

	<u>2021</u> USD	<u>2020</u> USD
Finance lease interest	212,671	67,049
Lease liabilities interest	58,515	20,525
	<u>271,186</u>	<u>87,574</u>

7. Loss before tax

Loss before tax has been arrived at after charging:

	<u>2021</u> USD	<u>2020</u> USD
Employee benefits expense:		
- Salaries, bonuses and other cost	657,406	817,909
- Contributions to Central Provident Fund	36,141	39,355
Depreciation	402,583	533,129
Loss on disposal of property, plant and equipments	461,403	-
Loss / (gain) on foreign exchange rate	106,820	(29,067)
Lease expenses	23,071	163,774
	<u>2,057,230</u>	<u>1,502,130</u>

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.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***8. Income tax expense (Continued)****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 is as follows:

	<u>2021</u> USD	<u>2020</u> USD
Loss before tax	(993,506)	(244,774)
Income tax benefit at 17%	(168,896)	(41,612)
<u>Adjustments:</u>		
Income not subject to tax	(11,695)	-
Non-deductible expenses	42,459	9,198
Others	138,132	65,727
Benefits from previously unrecognised tax losses	-	(33,313)
	<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 USD 2,447,591 (2020: USD 3,096,350) and capital allowances of USD 8,431 (2020: USD 7,974) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

9. Property, plant and equipment

	<u>Leasehold improvements</u> USD	<u>Furniture and fittings</u> USD	<u>Renovation</u> USD	<u>Office equipment</u> USD	<u>Motor vehicles</u> USD	<u>Total</u> USD
Cost:						
At 1 April 2019	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
Additions	20,284	-	-	-	3,207,298	3,227,582
Disposals	-	-	-	-	(2,339,803)	(2,339,803)
At 31 March 2021	735,132	112,136	188,878	53,650	4,395,672	5,485,468
Accumulated depreciation:						
At 1 April 2019	-	81,270	50,311	18,395	848,822	998,798
Depreciation for the year	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
Depreciation for the year	149,465	8,423	37,791	10,090	437,437	643,206
Disposals	-	-	-	-	(976,849)	(976,849)
At 31 March 2021	295,965	112,136	125,893	39,268	625,022	1,198,284
Net carrying amount:						
At 31 March 2021	439,167	-	62,985	14,382	3,770,650	4,287,184
At 31 March 2020	568,348	8,423	100,776	24,472	2,363,743	3,065,762

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 14 (a).

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***9. Property, plant and equipment (Continued)*****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 USD Nil (2020: USD 1,586,391).

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. Trade receivables

	<u>2021</u> USD	<u>2020</u> USD
Trade receivables		
- Immediate and ultimate holding company	<u>242,826</u>	<u>284,414</u>

Trade receivables are non-interest bearing and are generally on 60 (2020: 60) days' terms.

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

11. Other receivables

	<u>2021</u> USD	<u>2020</u> USD
Advance to staff	486	641
Advance to suppliers	-	21,996
Other receivables	41,816	-
Prepayments	34,090	25,390
Security deposit	<u>44,644</u>	<u>42,673</u>
	<u>121,036</u>	<u>90,700</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*for the financial year ended 31 March 2021***12. Share capital**

	<u>Number of shares</u>	<u>Share capital USD</u>
At 1 April 2019	7,000,000	7,000,000
Additions	750,000	750,000
At 31 March 2020	<u>7,750,000</u>	<u>7,750,000</u>
Additions	-	-
At 31 March 2021	<u>7,750,000</u>	<u>7,750,000</u>

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

13. Borrowings

	<u>2021 USD</u>	<u>2020 USD</u>
<u>Current:</u>		
Lease liabilities (Note 16)	<u>549,117</u>	<u>396,827</u>
<u>Non-current:</u>		
Lease liabilities (Note 16)	<u>2,866,874</u>	<u>1,009,668</u>
	<u>3,415,991</u>	<u>1,406,495</u>

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

13. Borrowings (Continued)

A reconciliation of liabilities from financing activities is as follows:

	01-Apr-20 USD	Cash flows USD	Accretion of interests USD	Non-cash changes Exchange Difference USD	Other USD	31-Mar-21 USD
Lease liabilities						
- Current	396,827	(750,161)	123,298	54,446	724,707	549,117
- Non-current	1,009,668	(718,288)	147,888	-	2,427,606	2,866,874
	1,406,495	(1,468,449)	271,186	54,446	3,152,313	3,415,991

	1 April 2019 USD	Cash flows USD	Accretion of interests USD	Non-cash changes Exchange Difference USD	Other USD	31 March 2020 USD
Finance 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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

14. LeasesCompany as a lessee

The Company has lease contracts for its office premises 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.

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

	Right-of-use assets 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
Additions	20,284	3,132,030	3,152,314
Depreciations	(149,465)	(373,509)	(522,974)
Disposals	-	(976,849)	(976,849)
At 31 March 2021	439,167	3,368,063	3,807,230

(b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 13 and the maturity analysis of lease liabilities is disclosed in Note 19.

(c) Amount recognised in profit or loss

	2020 USD	2020 USD
Depreciation of right-of-use assets	522,974	400,336
Interest expense on lease liability (Note 6)	271,186	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	794,160	651,684

(d) Total cash outflow

The Company had total cash outflows for leases of USD 1,468,449 in 2021 (2020: USD 666,683).

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***15. Significant related party transactions**

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

	<u>2021</u> USD	<u>2020</u> USD
<u>Holding company</u>		
Purchases from	-	7,547,536
General expenses	-	37,107
Commission received	1,604,862	1,162,601
	<u>1,604,862</u>	<u>1,162,601</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>2021</u> USD	<u>2020</u> USD
Director's fee	1,432	2,948
Director's remuneration	263,757	263,100
	<u>265,189</u>	<u>266,048</u>

16. Financial risk management

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

The director review and agree 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.

a) 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 parent company. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

16. Financial risk management (Continued)

a) Credit risk (Continued)

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.

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; or
- 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; or
- 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 recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***16. Financial risk management (Continued)****a) Credit risk (Continued)**

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

Category	Definition of category	Basis of recognising excepted 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

16. Financial risk management (Continued)

b) 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 finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The director are satisfied that funds are available to finance the operations of the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

16. Financial risk management (Continued)

b) Liquidity risk (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 end of the reporting period based on contractual undiscounted repayment obligations.

2021	Carrying amount USD	Contractual cash flows USD	One year or less USD	Two to five years USD	Over five years USD
Financial assets:					
Trade receivables	242,826	242,826	242,826	-	-
Other receivables [^]	86,946	86,946	86,946	-	-
Cash	56,016	56,016	56,016	-	-
Total undiscounted financial assets	385,788	385,788	385,788	-	-
Financial liabilities:					
Accrued operating expenses	9,673	9,673	9,673	-	-
Borrowings	3,415,991	3,712,249	630,462	2,156,275	925,512
Total undiscounted financial liabilities	3,425,664	3,721,922	649,808	2,156,275	925,512
Total net undiscounted financial assets/(liabilities)	(3,039,876)	(3,336,134)	(264,020)	(2,156,275)	(925,512)

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

16. Financial risk management (Continued)

b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

2020	Carrying amount USD	Contractual cash flows USD	One year or less USD	Two to five years USD	Over five years USD
<u>Financial assets:</u>					
Trade receivables	284,414	284,414	284,414	-	-
Other receivables [^]	42,673	42,673	42,673	-	-
Cash	249,672	249,672	249,672	-	-
Total undiscounted financial assets	576,759	576,759	576,759	-	-
<u>Financial liabilities:</u>					
Accrued operating expenses	9,149	9,149	9,149	-	-
Borrowings	1,406,495	1,626,239	476,987	1,149,252	-
Total undiscounted financial liabilities	1,425,317	1,635,388	495,285	1,149,252	-
Total net undiscounted financial assets/(liabilities)	(848,558)	(1,058,629)	81,474	(1,149,252)	-

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

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***16. Financial risk management (Continued)****c) 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 lease liabilities.

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

	<u>2021</u> USD	<u>2020</u> USD
<u>Fixed rate instruments</u>		
Financial liabilities	<u>3,415,991</u>	<u>1,406,495</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

for the financial year ended 31 March 2021

16. Financial risk management (Continued)

c) Market risk (Continued)

ii) Foreign currency risk (Continued)

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

	<u>USD</u> USD	<u>2021</u> <u>SGD</u> USD	<u>Total</u> USD
<u>Financial assets</u>			
Trade receivables	242,826	-	242,826
Other receivables^	-	86,946	86,946
Cash and cash equivalents	34,461	21,555	56,016
	<u>277,287</u>	<u>108,501</u>	<u>385,788</u>
<u>Financial liabilities</u>			
Accrued operating expenses	-	9,673	9,673
Borrowings	-	3,415,991	3,415,991
Total undiscounted financial liabilities	-	3,425,664	3,425,664
Net financial assets / (liabilities)	277,287	(3,317,163)	(3,039,876)
Less: Net financial assets denominated in their respective currencies	(277,287)	-	(277,287)
	<u>-</u>	<u>(3,317,163)</u>	<u>(3,317,163)</u>
	<u>USD</u> USD	<u>2020</u> <u>SGD</u> USD	<u>Total</u> USD
<u>Financial assets</u>			
Trade receivables	284,414	-	284,414
Other receivables^	-	42,673	42,673
Cash and cash equivalents	233,353	16,319	249,672
	<u>517,767</u>	<u>58,992</u>	<u>576,759</u>
<u>Financial liabilities</u>			
Accrued operating expenses	-	9,149	9,149
Borrowings	-	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)
	<u>-</u>	<u>(1,356,652)</u>	<u>(1,356,652)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

16. Financial risk management (Continued)**c) Market risk (Continued)****ii) Foreign currency risk (Continued)**

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

	<u>Loss before tax</u>	
	<u>2021</u>	<u>2020</u>
	USD	USD
Singapore dollar	(331,716)	(135,665)

A 10% weakening of United States 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.

17. 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 accrued operating expenses

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.

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.

NOTES TO THE FINANCIAL STATEMENTS*for the financial year ended 31 March 2021***18. Financial instruments by category**

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

	<u>2021</u> USD	<u>2020</u> USD
<u>Financial assets at amortised cost</u>		
Trade receivables	242,826	284,414
Other receivables^	86,946	42,673
Cash and cash equivalents	56,016	249,672
	<u>385,788</u>	<u>576,759</u>
<u>Financial liabilities at amortised cost</u>		
Accrued operating expenses	9,673	9,149
Borrowings	3,415,991	1,406,495
	<u>3,425,664</u>	<u>1,415,644</u>

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

19. 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 to the objectives, policies or processes during the financial years ended 31 March 2021 and 31 March 2020.

GREENPANEL SINGAPORE PTE. LTD.**DETAILED INCOME STATEMENT***for the financial year ended 31 March 2021*

	<u>2021</u> USD	<u>2020</u> USD
Revenue		
Sales	105,471	9,725,012
Commission	1,604,862	1,162,601
	<u>1,710,333</u>	<u>10,887,613</u>
Less: Cost of sales		
Goods in transit	-	528,437
Purchases	98,068	8,255,601
Other cost of sales	83,281	178,477
	<u>181,349</u>	<u>8,962,515</u>
Gross profit	1,528,984	1,925,098
Add: Other income		
Government grants	68,797	-
Miscellaneous income	47,909	26,041
Wages credit	-	1,702
	<u>116,706</u>	<u>27,743</u>
Less: Operating expenses (See schedule attached)		
Administrative expenses	693,547	860,212
Other operating expenses	1,674,463	1,249,829
Finance costs	271,186	87,574
	<u>2,639,196</u>	<u>2,197,615</u>
Loss before tax	<u>(993,506)</u>	<u>(244,774)</u>

The above statement does 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 2021*

	<u>2021</u> USD	<u>2020</u> USD
Administration costs		
Director remuneration	263,757	263,100
Director fee	1,432	2,948
Salaries and bonus	385,614	548,732
CPF	36,141	39,355
SDL	592	710
Medical expenses	6,011	5,367
	<u>693,547</u>	<u>860,212</u>
Administrative and other operating expenses		
Audit fees	11,636	9,346
Bank charges	4,864	66,027
Books and periodicals	-	471
Car up-keep expenses	142,936	83,173
Courier and postage	4,746	7,217
Depreciation	643,206	533,129
General expenses	182,710	150,798
Insurance	29,456	25,803
Loss on disposal of fixed assets	461,403	-
Loss on exchange rate	106,820	(29,067)
Membership fee	20,171	0
PUB	1,359	20,525
Refreshment	117	237
Rental	23,071	163,774
Repair and maintenance	7,318	106,184
Stationery and printing	584	2,056
Legal and professional fee	10,664	22,539
Telecom charges	13,563	26,458
Travel expenses	9,839	61,159
	<u>1,674,463</u>	<u>1,249,829</u>
Finance costs		
Finance lease interest	212,671	67,049
Lease liabilities interest	58,515	20,525
	<u>271,186</u>	<u>87,574</u>

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