

Company Registration No.: 200104404H

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

GENERAL INFORMATION

Directors

Sumit Mazumder
Seow Yoke Chan

Company Secretary

Cheung Miu Ling (Appointed on 24 May 2021)

Registered Office

137 Telok Ayer Street
#05-02
Singapore 068602

Independent Auditor

JBS Practice PAC

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of TIL OVERSEAS PTE LTD (the "Company") for the financial year ended 31 March 2021.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying 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 2021 and its financial performance, changes in equity and cash flows for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Sumit Mazumder
Seow Yoke Chan

ARRANGEMENTS TO ENABLE DIRECTORS 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 object 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' INTEREST IN SHARES AND DEBENTURES

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, none of the directors holding office at the end of the financial year had any significant interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name <u>of director</u>	
	<u>At 01.04.2020</u>	<u>At 31.03.2021</u>
<u>TIL Limited (Holding company)</u>		
Ordinary shares of 10 Rupees each fully paid		
Sumit Mazumder	767,447	767,447

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

DIRECTORS' STATEMENT (...CONT'D)

SHARE OPTIONS

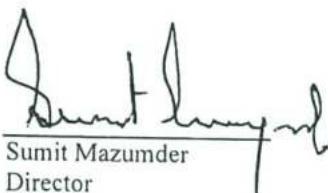
There were no share options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

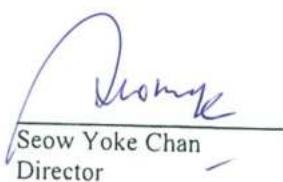
There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs JBS Practice PAC, has expressed its willingness to accept re-appointment.



Sumit Mazumder
Director



Seow Yoke Chan
Director

27 May 2021



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
TIL OVERSEAS PTE LTD
(Incorporated in Singapore)**

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of TIL OVERSEAS PTE LTD (the "Company") as set out on pages 7 to 37, which comprise the statement of financial position of the Company as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company 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 for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the General Information set out on page 1, the Directors' Statement set out on pages 2 to 3, and the accompanying Schedule of Other Operating Expenses.

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
TIL OVERSEAS PTE LTD (...CONT'D)**
(Incorporated in Singapore)

Report on the Audit of Financial Statements (...cont'd)

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.

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 judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.
- (b) 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
TIL OVERSEAS PTE LTD (...CONT'D)**
(Incorporated in Singapore)

Report on the Audit of Financial Statements (...cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (...cont'd)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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.

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.



JBS PRACTICE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

27 May 2021

TIL OVERSEAS PTE LTD
 (Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
ASSETS			
Current assets			
Cash at banks	4	45,667	1,270,149
Trade receivables	5	-	188,938
Inventories	6	89,794	563,422
Financial assets, at FVTPL	7	<u>4,797,469</u>	<u>3,738,744</u>
		<u>4,932,930</u>	<u>5,761,253</u>
Non-current asset			
Deferred income tax asset	8	13,941	13,941
Total assets		<u>4,946,871</u>	<u>5,775,194</u>
LIABILITIES			
Current liabilities			
Other payables	9	301,377	94,183
Bank loan	10	<u>1,941,739</u>	<u>2,714,148</u>
Total liabilities		<u>2,243,116</u>	<u>2,808,331</u>
NET ASSETS		<u>2,703,755</u>	<u>2,966,863</u>
SHAREHOLDER'S EQUITY			
Share capital	11	708,012	708,012
Reserves	12	<u>1,995,743</u>	<u>2,258,851</u>
TOTAL EQUITY		<u>2,703,755</u>	<u>2,966,863</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

TIL OVERSEAS PTE LTD
 (Incorporated in Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
REVENUE			
Sales of goods	13	111,671	188,938
Other income	14	6,279	11,157,932
		<u>117,950</u>	<u>11,346,870</u>
COSTS AND EXPENSES			
Purchases consumed	15	(165,585)	(233,237)
Inventories written down	6	(308,043)	(10,584,176)
Other gains and losses	16	680,422	(510,756)
Employee benefits expense	17	(25,986)	(25,549)
Other operating expenses	18	(226,018)	(289,449)
Finance cost	19	(28,153)	(32,231)
		<u>(73,363)</u>	<u>(11,675,398)</u>
Profit/(loss) before income tax		44,587	(328,528)
Income tax expense	20	<u>(3,575)</u>	<u>(2,271)</u>
Net profit/(loss) for the financial year		<u>41,012</u>	<u>(330,799)</u>
<u>Other comprehensive income:</u>			
Items that may be reclassified subsequently to <u>profit or loss:</u>			
Financial assets, at FVOCI:			
- Reclassification	16	-	(889)
Items that will not be reclassified subsequently to <u>profit or loss:</u>			
Financial assets, at FVOCI:			
- Gain on disposal – equity investments	12	-	5,160
Other comprehensive income, net of tax		<u>-</u>	<u>4,271</u>
Total comprehensive income/(loss)for the year		<u>41,012</u>	<u>(326,528)</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

TIL OVERSEAS PTE LTD
 (Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital US\$	Fair value reserve US\$	Retained earnings US\$	<u>Reserves</u> <u>Total</u> US\$
<u>2021</u>				
Balance at 1 April 2020	708,012	-	2,258,851	2,966,863
Net profit, representing total comprehensive income for the financial year	-	-	41,012	41,012
Dividend (Note 22)	-	-	(304,120)	(304,120)
Balance at 31 March 2021	<u>708,012</u>	<u>-</u>	<u>1,995,743</u>	<u>2,703,755</u>
<u>2020</u>				
Balance at 1 April 2019	708,012	(4,271)	2,589,650	3,293,391
Net loss for the financial year	-	-	(330,799)	(330,799)
Other comprehensive loss, net of tax:				
- Reclassification to profit or loss	-	(889)	-	(889)
- Gain on disposal of FA, FVOCI – equity investments	-	5,160	-	5,160
Total comprehensive loss for the financial year	-	4,271	(330,799)	(326,528)
Balance at 31 March 2020	<u>708,012</u>	<u>-</u>	<u>2,258,851</u>	<u>2,966,863</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

TIL OVERSEAS PTE LTD
 (Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
Operating activities:			
Profit/(loss) before income tax		44,587	(328,528)
Adjustments for:			
Inventories written down	6	308,043	10,584,176
Interest expense	19	28,153	32,231
Interest income	14, 16	(192,382)	(154,373)
Other creditors written back	14	-	(11,101,816)
Loss on disposal of financial assets, at FVOCI	16	-	103,442
Gain on disposal of Financial Assets, at FVTPL	16	(1,487)	-
Unrealised fair value (gain)/loss on financial assets, at FVTPL	16	<u>(486,553)</u>	<u>505,571</u>
Operating cash flows before changes in working capital		<u>(299,639)</u>	<u>(359,297)</u>
Changes in working capital:			
Trade receivables		188,938	(188,938)
Other receivables		-	(16,846)
Inventories	6	165,585	233,237
Other payables		<u>207,194</u>	<u>(22,059)</u>
Cash generated from/(used in) operations		<u>262,078</u>	<u>(353,903)</u>
Interest received		192,382	154,373
Interest paid		(194)	-
Income tax paid		(3,575)	(2,271)
Net cash generated from/(used in) operating activities		<u>450,691</u>	<u>(201,801)</u>
Investing activities			
Purchase of financial assets, at FVTPL	7	(707,490)	(5,347,200)
Disposal of financial assets, at FVTPL		136,805	1,211,284
Disposal of financial assets, at FVOCI		-	1,730,217
Net cash used in investing activities		<u>(570,685)</u>	<u>(2,405,699)</u>
Financing activities			
Interest paid		(27,959)	(31,336)
(Rembursement)/drawn down of short term loan	10	(772,409)	2,713,253
Dividend paid	22	(304,120)	-
Net cash (used in)/generated from financing activities		<u>(1,104,488)</u>	<u>2,681,917</u>
Net (decrease)/increase in cash at banks		(1,224,482)	74,417
Cash at banks at the beginning of the financial year		<u>1,270,149</u>	<u>1,195,732</u>
Cash at banks at the end of the financial year	4	<u>45,667</u>	<u>1,270,149</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

TIL OVERSEAS PTE LTD
 (Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (...CONT'D)

Reconciliation of liabilities arising from financing activities:

	1 April 20 US\$	Principal and interest (payments)/receipt (Note i) US\$	Interest expense US\$	Non-cash changes	31 March 21 US\$
<u>2021</u>					
Drawn down of bank loan (Note 10)	<u>2,714,148</u>	<u>(800,368)</u>	<u>27,959</u>	<u>1,941,739</u>	
	<u>2,714,148</u>	<u>(800,368)</u>	<u>27,959</u>	<u>1,941,739</u>	
<u>2020</u>					
Drawn down of bank loan (Note 10)	<u>-</u>	<u>2,681,917</u>	<u>32,331</u>	<u>2,714,148</u>	
	<u>-</u>	<u>2,681,917</u>	<u>32,331</u>	<u>2,714,148</u>	

Note (i): Cash Flow makes up the net amount of proceeds from borrowing and repayment of borrowing in the statement of financial position.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

1. GENERAL INFORMATION

TIL Overseas Pte Ltd (the “Company”) (Registration No. 200104404H) is a private limited company domiciled in Singapore. The Company’s registered office and principal place of business are at 137 Telok Ayer Street, #05-02, Singapore 068602.

The principal activities of the Company are to carry on the business of importers and exporters of equipment and machinery parts in relation to the construction industry and also investment related activities. There have been no significant changes in the nature of the Company’s principal activities during the financial year.

The financial statements of the Company for the financial year ended 31 March 2021 were authorised and approved by the directors for issuance on 27 May 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements which are expressed in United States dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements except as disclosed in the financial statements.

b) Development of COVID-19 outbreak and its corresponding impact on the Company

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Singapore and other governments as well as the travel and trade restrictions imposed by Singapore and other countries in early 2020 have caused disruption to businesses and economic activity. The Company evaluated the impact on its business operations, liquidity, assets and financial position and based on management’s review of current indicators and economic conditions there is no material impacts and adjustments required on its financial results as at 31 March 2021. The Company will continue to monitor any material changes to future economic conditions and impact, if any

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

- b) Development of COVID-19 outbreak and its corresponding impact on the Company (...cont'd)

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of COVID-19 on the Company's financial statements cannot be reasonably estimated for future financial periods.

Based on the management's latest assessment, there is no indicator that the going concern assumption in preparing the financial statements is inappropriate.

- c) Currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company.

In preparing the financial statements of the Company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximating to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

d) Financial assets

(i) *Classification and measurement*

The Company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(a) *Debt instruments*

Debt instruments mainly comprise of cash at banks, trade receivables, investment in debt financial instruments.

There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset.

TIL OVERSEAS PTE LTD
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

d) Financial assets (...cont'd)

(i) *Classification and measurement (...cont'd)*

At subsequent measurement (...cont'd)

(a) *Debt instruments (...cont'd)*

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- FVTPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

TIL OVERSEAS PTE LTD
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

d) Financial assets (...cont'd)

(i) *Classification and measurement (...cont'd)*

At subsequent measurement (...cont'd)

(b) *Equity investments*

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Company has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(ii) *Impairment*

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the Company determines whether there has been a significant increase in credit risk.

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

For trade receivables, the Company applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables

TIL OVERSEAS PTE LTD
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

d) Financial assets (...cont'd)

(iii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation.

f) Financial liabilities

Financial liabilities are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled and expired.

TIL OVERSEAS PTE LTD
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

h) Leases

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognise a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term lease (defined as uses with a lease term of 12 months or less) and lease of low value assets.

As lessee

Short-term leases

The Company has lease contract for bonded warehouse. The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
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2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

j) Revenue recognition

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 goods or service to the customer, which is when the customer obtains control of the goods or service. A performance obligation may be satisfied at a point in time or over time.

The following specific recognition criteria must also be met before revenue are recognised:

- i) Sales are recognised when the goods are delivered to and accepted by the customer. Upon accepting delivery, the customer has full control over the goods, and there is no unfulfilled obligation on the part of the Company. The risks of the obsolescence and loss have been transferred to the customer upon his acceptance of the goods. No element of financing is deemed present at the sales are made within the credit term, which is consistent with the market practice.

Income from the sale of goods is recognised at point in time when the goods are delivered to customers and the performance obligation has been satisfied.

- ii) Interest income is recognised using the effective interest method.

k) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
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2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

k) Income tax (...cont'd)

Deferred income tax is measured (...cont'd):

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

l) Employee benefits

Employee benefits are recognised as an expense.

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

m) Related parties

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Company if that person:
 - (a) Has control or joint control over the Company;
 - (b) Has significant influence over the Company; or
 - (c) Is a member of the key management personnel of the Company or of a parent of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

m) Related parties (...cont'd)

A related party is defined as follows: (...cont'd)

- (ii) An entity is related to the Company if any of the following conditions applies:
 - (a) 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).
 - (b) 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).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) 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.
 - (f) The entity is controlled or jointly controlled by a person identified in (i);
 - (g) A person identified in (i)(a) 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).
 - (h) 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.

n) Contract liabilities

A contract liability is the obligation to transfer service to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers good or service to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the Company performs under the contract.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

o) Dividend

Dividend to the Company's shareholder is recognised when the dividend are approved for payments.

p) Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions

When the grants relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming to FRS requires the use of certain critical accounting estimates, assumptions and judgement in applying the accounting policies. These estimates, assumptions and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical accounting estimates, assumptions and judgement for preparation of financial statements:

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) 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 that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (...CONT'D)

b) Key sources of estimation uncertainty (...cont'd)

(i) Loss allowance for impairment of trade and other receivables

Management determines the expected loss arising from default for trade receivables by categorised them based on its historical loss pattern, historical payment profile as well as credit risk profile of customer.

When measuring Expected Credit Loss ("ECL"), the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the differences between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectation of future conditions.

Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

Based on the management's assessment, the Company does not have trade receivables that are subjected to ECLs as at the balance sheet date.

(ii) Inventory valuation method

Management reviews the Company's inventory levels, ageing and turnover ratio in order to identify the value of the slow-moving and obsolete items in accordance with the holding company's policy and to identify the items which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as allowance on inventory. The carrying amounts of the Company's inventories are disclosed in Note 6 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

4. CASH AT BANKS

	<u>2021</u> US\$	<u>2020</u> US\$
Cash at banks	<u>45,667</u>	<u>1,270,149</u>

Cash at banks are denominated in the following currencies:

	<u>2021</u> US\$	<u>2020</u> US\$
United States dollars	41,225	1,255,053
Singapore dollars	<u>4,442</u>	<u>15,096</u>
	<u>45,667</u>	<u>1,270,149</u>

5. TRADE RECEIVABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Third parties	<u>-</u>	<u>188,938</u>

In 2020, trade receivables were non-interest bearing and credit terms were in accordance with the contracts or agreements with the customers. Trade receivables were recognised at their original invoiced amounts which represented their fair values on initial recognition. The trade receivables were considered to be of short duration and were not discounted and the carrying values are assumed to approximate their fair values. Trade receivables were denominated in United States dollars.

6. INVENTORIES

	<u>2021</u> US\$	<u>2020</u> US\$
Spare parts, at NRV	<u>89,794</u>	<u>563,422</u>

The cost of inventories recognised as expense and included in the “purchases consumed” amounted to US\$165,585 (2020: US\$233,237) (Note 15). The management has made an assessment of the existing economic environment and the last 2 years of the slowdown in the business activities of the Company. The management is of the view that in the current circumstances the sale of existing inventories will be a challenge. Based on management assessment, the Company has written down the value of the inventories to its net realisable value by US\$308,043 (2020: US\$10,584,176).

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

7. FINANCIAL ASSETS, AT FVTPL

	<u>2021</u> US\$	<u>2020</u> US\$
Balance at beginning of the financial year	3,738,744	-
Reclassification from FVOCI to FVTPL	-	264,249
Additions	707,490	5,347,200
Fair value gain/(loss) (Note 16)	486,553	(505,571)
Disposal	<u>(135,318)</u>	<u>(1,367,134)</u>
Balance at end of the financial year	<u>4,797,469</u>	<u>3,738,744</u>
 <u>Current - quoted</u>		
Bonds	4,527,088	3,467,577
Hedge Funds	<u>270,381</u>	<u>271,167</u>
	<u>4,797,469</u>	<u>3,738,744</u>

The investments are pledged to a bank for the bank loan facility as disclosed in Note 10 to the financial statement. Financial assets, at FVTPL are denominated in United States dollars.

8. DEFERRED INCOME TAX ASSET

The following are the deferred income tax asset recognised by the Company, and the movements thereon, during the current and prior reporting periods:

	<u>2021</u> US\$	<u>2020</u> US\$
<i>Deferred income tax asset</i>		
Unutilised tax losses:		
Balance at beginning and end of the year	<u>13,941</u>	<u>13,941</u>

9. OTHER PAYABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Accrued operating expenses	15,420	47,226
Contract liability	8,328	-
Amount owing to holding company	41,605	41,605
Other creditors	<u>236,024</u>	<u>5,352</u>
	<u>301,377</u>	<u>94,183</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

9. OTHER PAYABLES (...CONT'D)

Contract liability

The contract liability primarily relate to the advance consideration received from customer for goods sold, for which revenue is recognised on goods delivery.

	<u>2021</u> US\$	<u>2020</u> US\$
<i>Changes in contract liability</i>		
Cash received in advance of performance and not recognised as revenue	8,328	-
At end of the financial year	<u>8,328</u>	<u>-</u>

Amount owing to holding company is non-trade in nature, non-interest bearing, unsecured and repayable on demand. Other payables are denominated in the following currencies:

	<u>2021</u> US\$	<u>2020</u> US\$
United States dollars	49,932	75,291
Singapore dollars	<u>251,445</u>	<u>18,892</u>
	<u>301,377</u>	<u>94,183</u>

10. BANK LOAN

It represents revolving short term loan with interest charge at 1.4% (2020: 1.98%) per annum and repayable within the next twelve months. The bank loan, which is denominated in United States dollars, is secured by the investments in financial assets in Note 7 to the financial statements.

11. SHARE CAPITAL

	<u>2021</u> Number of ordinary shares issued	<u>2020</u> US\$	<u>2021</u> US\$	<u>2020</u> US\$
At the beginning and end of the financial year	<u>107,577</u>	<u>107,577</u>	<u>708,012*</u>	<u>708,012*</u>
* Rounded up to the nearest United States dollars				

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividend as declared from time to time and entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

12. RESERVES

	2021 US\$	2020 US\$
<u>Retained earnings</u>		
Balance at beginning of the year	2,258,851	2,589,650
Net profit/(loss) for the financial year	41,012	(330,799)
Dividend paid (Note 22)	(304,120)	-
Balance at end of the year	<u>1,995,743</u>	<u>2,258,851</u>
<u>Fair value reserve</u>		
Balance at beginning of the year	-	(4,271)
Reclassification to profit or loss (Note 16)	-	(889)
Gain on disposal of financial assets, at FVOCI – equity investments	-	5,160
Balance at end of the year	<u>-</u>	<u>-</u>
Total	<u>1,995,743</u>	<u>2,258,851</u>

13. SALES OF GOODS

	2021 US\$	2020 US\$
Sales of spare parts	<u>111,671</u>	<u>188,938</u>
<u>Timing of transfer of goods</u>		
At a point in time	<u>111,671</u>	<u>188,938</u>

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

Nature of goods or services	The Company generates revenue from trading of importers and exporters of equipment and machinery parts in relation to the construction industry.
When revenue is recognised	Income from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied (i.e. at a point in time).
Significant payment terms	Payment is due within 180 days since the customer purchase the goods.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

14. OTHER INCOME

	<u>2021</u> US\$	<u>2020</u> US\$
Interest income		
- Financial assets, at FVOCI	-	56,100
- Bank interest	-	16
Other payable written back	-	11,101,816
Government grant – Job Support Scheme	6,279	-
	<u>6,279</u>	<u>11,157,932</u>

15. PURCHASES CONSUMED

	<u>2021</u> US\$	<u>2020</u> US\$
Opening inventories	563,422	11,380,835
Inventories written down	(308,043)	(10,584,176)
Closing inventories	(89,794)	(563,422)
	<u>165,585</u>	<u>233,237</u>

16. OTHER GAINS AND LOSSES

	<u>2021</u> US\$	<u>2020</u> US\$
Unrealised fair value (gain)/loss of financial assets, at FVPL (Note 7)	(486,553)	505,571
Financial assets, at FVOCI:		
- Reclassification from OCI on disposal	-	(889)
Gain on disposal of financial assets, FVOCI – debt instruments	-	(51,518)
(Gain)/loss on disposal of financial assets, FVTPL – debt instruments	(1,487)	155,849
Interest income from financial assets, FVTPL	(192,382)	(98,257)
	<u>(680,422)</u>	<u>510,756</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

17. EMPLOYEE BENEFITS EXPENSE

	<u>2021</u> US\$	<u>2020</u> US\$
Staff salaries	22,162	21,794
CPF contributions	3,824	3,755
	<u>25,986</u>	<u>25,549</u>

18. OTHER OPERATING EXPENSES

	<u>2021</u> US\$	<u>2020</u> US\$
(Gain)/loss on foreign exchange	(195)	2,261
Professional fees	8,663	13,801
Warehouse handing and service charges (lease not capitalized in lease liability)	191,054	244,431
Others	<u>26,496</u>	<u>28,956</u>
	<u>226,018</u>	<u>289,449</u>

The Company has assessed the rental payment for the bonded warehouse for the inventories and noted that it does not qualify for lease under FRS 116 lease.

19. FINANCE COST

	<u>2021</u> US\$	<u>2020</u> US\$
Bank loan interest	27,959	32,231
Bank overdraft interest	194	-
	<u>28,153</u>	<u>32,231</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2021 (...CONT'D)**

20. INCOME TAX EXPENSE

	<u>2021</u> US\$	<u>2020</u> US\$
Current tax expense:		
Current year's tax provision		
Under-provision in prior year tax	3,575	2,271
	<u>3,575</u>	<u>2,271</u>

The current year's income tax expense varied from the amount of income tax determined by applying the applicable Singapore statutory income tax rate 17% (2020: 17%) to the profit/(loss) before income tax as a result of the following differences:

	<u>2021</u> US\$	<u>2020</u> US\$
Profit/(loss) before income tax	<u>44,587</u>	<u>(328,528)</u>
Tax calculated at the applicable tax rate	7,580	(55,850)
Non-tax taxable income	(1,068)	(287,717)
Utilisation of unabsorbed tax losses	(6,512)	343,567
Under-provision of prior year taxation	<u>3,575</u>	<u>2,271</u>
	<u>3,575</u>	<u>2,271</u>

The Company has unabsorbed tax losses of approximately of US\$290,000 (2020: US\$328,528) available for offsetting against future taxable income of the Company subject to there being no substantial change in the shareholder of the Company and its shareholding within the meaning of Section 37 of the Singapore Income Tax Act and agreement by the Inland Revenue Authority of Singapore.

Future tax benefits arising from unabsorbed tax loss has been recognised only to the extent there is reasonable certainty of their recovery in future years.

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31 MARCH 2021 (...CONT'D)**

21. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is TIL Limited, a company incorporated in the Republic of India.

22. DIVIDEND

	<u>2021</u> US\$	<u>2020</u> US\$
One-tier tax exempt interim dividend of US\$2.8270 per share for the financial year ended 31 March 2021	304,120	-

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the financial year, the Company had no other transactions with the holding company and related companies other than those related party information disclosed elsewhere in the financial statements.

(b) Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

There is no key management apart from the directors.

The directors did not receive any remuneration for the current and previous financial years.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance.

(a) Market risk

(i) Foreign currency risk

The Company incurs foreign currency risk on transactions that are denominated in currency other than United States dollars such as Singapore dollars. However, the Company does not use any hedging instruments to protect against the volatility associated with foreign currency purchases and other assets and liabilities created in the normal course of business.

The Company's significant currency exposure to Singapore dollars based on the information provided to key management is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Financial asset:</u>		
Cash at banks	4,442	15,096
<u>Financial liability:</u>		
Other payables	(251,445)	(18,892)
Net currency exposure on financial liability	<u>(247,003)</u>	<u>(3,796)</u>

If the Singapore dollars had strengthened by 5% (2020: 5%) against United States dollars with all other variables including tax rate being held constant, the Company's net profit and equity for the financial year would have been lower by approximately US\$12,300 (2020: US\$200) as a result of currency translation losses/gains on remaining Singapore dollars denominated financial assets and liabilities.

(ii) Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates except for bank loan disclosed in Note 10. The sensitivity analysis for change in interest rate is not disclosed as the effect on profit or loss is considered not significant.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

24. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits. For bank balances, deposits are placed with regulated bank which has a credit-ratings assigned by Moody's, a credit-rating agency. For credit exposures to customers, management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The carrying amount of cash at banks represents the Company's maximum exposure to credit risk. Cash at banks are subject to immaterial credit loss.

In 2020, the significant trade receivables of the Company was US\$188,938 that collectively represented 100% of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
<u>By geographical area</u>		
Singapore	-	<u>188,938</u>
<u>By types of customer</u>		
Non-related parties	-	<u>188,938</u>

The Company has applied the simplified approach by using the provision matrix to measure lifetime expected credit for trade receivables. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement), these exposures are considered to have low risk credit risk. Therefore impairment on these balances has been measured on the 12 months expected credit loss basis, and the amount of the allowance is insignificant.

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24. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. At the end of the reporting period, assets held by the Company for managing liquidity risk included cash at banks as disclosed in Note 4.

Management monitors rolling forecasts of the Company's liquidity reserve (comprising amounts and cash at banks) on the basis of expected cash flow. This is generally carried out at local level of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring liquidity ratios; and maintaining debt financing plans.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Less than 1 year or on demand</u>		
Other payables	293,049	94,183
Bank loan	1,941,739	2,714,148
	<u>2,234,788</u>	<u>2,808,331</u>

(d) Fair value measurement

i) Fair value of financial instruments that are carried at fair value

FRS 107 requires disclosure of a three level hierarchy for fair value measurements based upon transparency of inputs to the valuation of a financial asset or liability as of the measurement date. The three levels are defined as follows:

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31 MARCH 2021 (...CONT'D)**

24. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(d) Fair value measurement (...cont'd)

- i) Fair value of financial instruments that are carried at fair value (...cont'd)
 - (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
 - (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
 - (iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Level 1</u>		
Assets		
Financial asset, at FVTPL	<u>4,797,469</u>	<u>3,738,744</u>

The fair value of financial instruments traded in active markets (such as financial assets, at FVOCI) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

There are no financial instruments measured under Level 3.

- ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of cash at banks, trade receivables, other payables and bank loan approximate their fair values due to their short-term nature.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

24. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(e) Categories of financial instruments

The following table sets out the Company's financial instruments as at the end of the reporting period:

	<u>2021</u> US\$
Financial assets, at amortised cost	45,667
Financial liabilities, at amortised cost	2,234,788
Financial assets, at FVTPL	<u>4,797,469</u>
	<u>2020</u> US\$
Financial assets, at amortised cost	1,459,087
Financial liabilities, at amortised cost	2,808,331
Financial assets, at FVTPL	<u>3,738,744</u>

25. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the Company consists of Company issued capital and retained earnings. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares or obtain new borrowings and loans.

The Company is not subject to externally imposed capital requirements and its overall strategy remained unchanged for the financial years ended 31 March 2021 and 2020.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
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26. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of these unaudited financial statements, the Company has not adopted the following FRS and amendments to FRS that were issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 1: <i>Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to FRS 103: <i>Reference to the 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 109, FRS 39, FRS 107, FRS 116: <i>Interest Rate benchmark Reform – Phase 2</i>	1 January 2021

The Company expects that the adoption of the above standards will have no financial effect on the financial statements in the period of initial application.

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**THE ACCOMPANYING SCHEDULE OF OTHER OPERATING EXPENSES
HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY AND DOES NOT
FORM PART OF THE AUDITED FINANCIAL STATEMENTS.**

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**SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>2021</u> US\$	<u>2020</u> US\$
Auditors' remuneration - Current year provision	13,915	11,479
- Under provision of prior year	2,436	-
Bank charges	8,703	9,987
General expenses	156	5
(Gain)/loss on foreign exchange	(195)	2,261
Professional fees	8,663	13,801
Telephone charges	1,179	6,505
Transport	107	980
Warehouse handing and service charges	<u>191,054</u>	<u>244,431</u>
	<u>226,018</u>	<u>289,449</u>

The above schedule other operating expenses provide additional information and does not form part of the audited financial statements.