KRESTON ACA

GREENPANEL SINGAPORE PTE. LTD.

Unique Entity Number: 201323926C

AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2022

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DIRECTOR'S STATEMENT
for the financial year ended 31 March 2022

The director is pleased to present their statement to the member together with the audited financial statements of Greenpanel Singapore Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

1. Opinion of the director

In the opinion of the director,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Director

The director of the Company in office at the date of this statement is:

Shobhan Mittal

3. 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 in, or debentures of, the Company or any other body corporate.

4. Director's interest in shares and debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the Act), the director of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the holding company Greenpanel Industries Limited (India)		
Shobhan Mittal	10,588,380	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
Shobhan Mittal (Held by S.M. Management Pvt Ltd, Interest as Director)	-	31,626,965

5. Share options

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

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

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

6. Auditor

Kreston ACA PAC (f.k.a Kreston Ardent CAtrust PAC) has expressed their willingness to accept re-appointment as auditor.

The Sole Director

....
SHOBHAN MITTAL
Director

Signed on: 4 May 2022

Kreston ACA PAC
(f.k.a Kreston Ardent CAtrust PAC)
Chartered Accountants of Singapore
(UEN 202000100D)
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREENPANEL SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Greenpanel Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of 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 1967 (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 2022 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.

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

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 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 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 judgement 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the 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 ACA PAC

KRESTON ACA PAC
(f.k.a Kreston Ardent CAtrust PAC)
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Chua Soo Rui

Date: 4 May 2022

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2022

	Note	2022 USD	2021 USD
Revenue	4	3,151,082	1,710,333
Cost of sales		(220,805)	(181,349)
Gross profit		2,930,277	1,528,984
Other income	5	56,868	116,706
Administrative expenses		(742,515)	(693,547)
Other operating expenses		(1,204,362)	(1,674,463)
Finance costs	6	(85,566)	(271,186)
Profit/(Loss) before tax	7	954,702	(993,506)
Income tax expense	8	-	-
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year		954,702	(993,506)

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

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2022 USD	2021 USD
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,802,698	4,287,184
Current assets			
Trade receivables	10	1,340,566	242,826
Other receivables	11	62,055	121,036
Cash and cash equivalents	12	177,694	56,016
		1,580,315	419,878
Total assets		5,383,013	4,707,062
EQUITY AND LIABILITIES			
Equity			
Share capital	13	7,750,000	7,750,000
Accumulated losses		(5,513,900)	(6,468,602)
Equity attributable to owners of the Company		2,236,100	1,281,398
Non-current liability			
Lease liabilities	14	2,550,410	2,866,874
Current liabilities			
Other payables	15	7,890	9,673
Lease liabilities	14	588,613	549,117
		596,503	558,790
Total liabilities		3,146,913	3,425,664
Total equity and liabilities		5,383,013	4,707,062

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 2022

	Share capital USD	Accumulated losses USD	Total USD
At 1 April 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
At 1 April 2021	7,750,000	(6,468,602)	1,281,398
Profit for the year, representing the total comprehensive income for the year	-	954,702	954,702
At 31 March 2022	7,750,000	(5,513,900)	2,236,100

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

STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2022

	Note	2022 USD	2021 USD
Cash flows from operating activities			
Profit/(Loss) before tax		954,702	(993,506)
Adjustments for:			
Depreciation of property, plant and equipment	9	720,905	643,206
Interest expense	6	85,566	271,186
Loss on disposal of property, plant and equipment		12,721	461,403
Translation differences		(17,905)	54,446
Operating cash flows before working capital changes		1,755,989	436,735
Trade receivables		(1,097,740)	41,588
Other receivables		58,981	(30,336)
Other payables		(1,783)	524
Net cash generated from operating activities		715,447	448,511
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(75,268)
Proceeds from disposal of property, plant and equipment		739,702	901,551
Net cash generated from investing activities		739,702	826,283
Cash flows from financing activities			
Payment of principal portion of lease liabilities (Note 14)		(1,247,905)	(1,197,264)
Lease interest paid		(85,566)	(271,186)
Net cash used in financing activities		(1,333,471)	(1,468,450)
Net increase/(decrease) in cash and cash equivalents		121,678	(193,656)
Cash and cash equivalents at 1 April		56,016	249,672
Cash and cash equivalents at 31 March	12	177,694	56,016

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

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

1. General

Greenpanel Singapore Pte. Ltd. (the "Company") is a private limited by shares company 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 in Singapore ("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 presented in United States Dollar has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

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

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The director expects that the adoption of the standards above will have no material impact on the financial statements in the year 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. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

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

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

	Useful lives
Furniture and fittings	5 years
Renovation	5 years
Office equipment	5 years
Motor vehicles	7 - 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.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.7 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.

Derecognition

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

2. Summary of significant accounting policies (Continued)

2.7 Financial instruments (Continued)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.8 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”).

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. Summary of significant accounting policies (Continued)

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.

When the grant 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. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.12 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.

(a) 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.

2. Summary of significant accounting policies (Continued)

2.13 Leases (Continued)

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).

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. Summary of significant accounting policies (Continued)

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 10% on the net amount of the sales referred.

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 reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, 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.

2. Summary of significant accounting policies (Continued)

2.15 Taxes (Continued)

(b) Deferred tax (Continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.16 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.

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.

2. Summary of significant accounting policies (Continued)

2.17 Related parties transactions (Continued)

(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 judgements and estimates

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

3.1 Judgements made in applying accounting policies

(a) Determination of functional currency

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

3. Significant accounting judgements and estimates (Continued)

3.1 Judgements made in applying accounting policies (Continued)

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

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

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

3.2 Key sources of estimation uncertainty

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

(a) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 19.

The carrying amount of the Company's trade receivables as at 31 March 2022 was USD 1,340,566 (2021: USD 242,826).

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(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 property, plant and equipment as at 31 March 2022 was USD 3,802,698 (2021: USD 4,287,184).

(c) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. Revenue

Disaggregation of revenue

	2022 USD	2021 USD
Trading of wooden board and allied products	81,449	105,471
Commission received	3,069,633	1,604,862
	3,151,082	1,710,333

	2022 USD	2021 USD
Timing of good or service rendered		
At a point in time	3,151,082	1,710,333

5. Other income

	2022 USD	2021 USD
Foreign exchange gain	10,999	-
Government grants	41,373	68,797
Miscellaneous income	4,496	47,909
	56,868	116,706

6. Finance costs

	2022 USD	2021 USD
Finance interest lease	2,147	212,671
Lease liabilities interest	83,419	58,515
	85,566	271,186

7. Profit/(Loss) before tax

Profit/(Loss) before tax has been arrived at after charging/(crediting):

	2022 USD	2021 USD
Employee benefits expense:		
- Salaries, bonuses and other cost	701,291	657,406
- Contributions to Central Provident Fund	41,224	36,141
Depreciation of property, plant and equipment	720,905	643,206
Loss on disposal of property, plant and equipment	12,721	461,403
(Gain) / loss on foreign exchange rate	(10,999)	106,820
Lease expenses	-	23,071

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.

8. Income tax expense (Continued)

Relationship between tax expense and accounting profit / (loss)

A reconciliation between tax expense and the product of accounting profit / (loss) multiplied by the applicable corporate tax rate for the financial years ended 31 March 2022 and 2021 were as follows:

	2022 USD	2021 USD
Profit/(Loss) before tax	954,702	(993,506)
Income tax using the statutory tax rate of 17% (2021: 17%)	162,299	(168,896)
Adjustments:		
Income not subject to tax	(1,870)	(11,695)
Non-deductible expenses	171,653	42,459
Others	3,740	138,132
Benefits from previously unrecognised tax losses	(335,822)	-
	-	-

Unrecognised tax losses

Deferred income tax assets are recognised for tax losses 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 1,352,044 (2021: USD 3,327,467) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

9. Property, plant and equipment

	Leasehold improvements USD	Furniture and fittings USD	Renovation USD	Office equipment USD	Motor vehicles USD	Total USD
Cost:						
At 1 April 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
Additions	-	-	-	-	988,842	988,842
Disposal	-	-	-	-	(929,443)	(929,443)
At 31 March 2022	735,132	112,136	188,878	53,650	4,455,071	5,544,867
Accumulated depreciation:						
At 1 April 2020	146,500	103,713	88,102	29,178	1,164,434	1,531,927
Depreciation	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
Depreciation	155,971	-	37,791	9,001	518,142	720,905
Disposal	-	-	-	-	(177,020)	(177,020)
At 31 March 2022	451,936	112,136	163,684	48,269	966,144	1,742,169
Net carrying amount:						
At 31 March 2022	283,196	-	25,194	5,381	3,488,927	3,802,698
At 31 March 2021	439,167	-	62,985	14,382	3,770,650	4,287,184

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 16.

10. Trade receivables

	2022 USD	2021 USD
Trade receivables:		
- Immediate and ultimate holding company	1,340,566	242,826

Trade receivables are non-interest bearing and are generally on 60 (2021: 60) days' terms.

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

Receivables that are past due but not impaired

The Company had trade receivables amounting to USD 1,340,566 (2021: USD 242,826) respectively that were past due at the reporting date but not impaired.

	2022 USD	2021 USD
Trade receivables past due but not impaired		
- Less than 30 days	817,672	222,932
- 31 - 60 days	224,441	-
- 61 - 90 days	133,600	19,894
- More than 90 days	164,853	-
	1,340,566	242,826

11. Other receivables

	2022 USD	2021 USD
Advance to staff	1,480	486
Other receivables	-	41,816
Prepayments	15,931	34,090
Security deposit	44,644	44,644
	62,055	121,036

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

Advance to staff is interest free and repayable on demand.

12. Cash and cash equivalents

	2022 USD	2021 USD
Cash at banks	177,099	55,716
Cash on hand	595	300
	177,694	56,016

13. Share capital

	Number of shares	Share capital USD
Issued and fully paid ordinary shares		
At 1 April and 31 March	7,750,000	7,750,000

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.

14. Lease liabilities

	2022 USD	2021 USD
Current:		
- Lease liabilities (Note 16)	588,613	549,117
Non-current:		
- Lease liabilities (Note 16)	2,550,410	2,866,874
	3,139,023	3,415,991

14. Lease liabilities (Continued)

A reconciliation of liabilities from financing activities is as follows:

	1 April 2021	Cash flows	Non-cash changes				31 March 2022
			Acquisition	Accretion of interests	Exchange Difference	Other	
	USD	USD	USD	USD	USD	USD	USD
Liabilities							
Lease liabilities							
- Current	549,117	(1,333,471)	988,842	85,566	(17,905)	316,464	588,613
- Non-current	2,866,874	-	-	-	-	(316,464)	2,550,410
	3,415,991	(1,333,471)	988,842	85,566	(17,905)	-	3,139,023

	1 April 2020	Cash flows	Non-cash changes				31 March 2021
			Acquisition	interests	Difference	Other	
	USD	USD	USD	USD	USD	USD	USD
Liabilities							
Lease liabilities							
- Current	396,827	(1,543,718)	-	271,186	54,446	1,370,376	549,117
- Non-current	1,009,668	-	3,227,582	-	-	(1,370,376)	2,866,874
	1,406,495	(1,543,718)	3,227,582	271,186	54,446	-	3,415,991

15. Other payables

	2022 USD	2021 USD
Accrued operating expenses	8,239	9,673
Other payables	(349)	-
	7,890	9,673

16. Leases

Company 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

	Leasehold improvement USD	Motor vehicles USD	Total USD
At 1 April 2020	568,348	-	568,348
Additions	20,284	3,207,298	3,227,582
Depreciation	(149,465)	(265,056)	(414,521)
At 31 March 2021	439,167	2,942,242	3,381,409
Additions	-	988,842	988,842
Depreciation	(155,971)	(430,591)	(586,562)
Disposal	-	(723,872)	(723,872)
At 31 March 2022	283,196	2,776,621	3,059,817

(b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 14 and the maturity analysis of lease liabilities is disclosed in Note 18.

16. Leases (Continued)

Company as a lessee (Continued)

(c) Amount recognised in profit or loss

	2022 USD	2021 USD
Depreciation of right-of-use assets	586,562	414,521
Interest expense on lease liability (Note 6)	85,566	271,186
Total amount recognised in profit or loss	672,128	685,707

(d) Total cash outflow

The Company had total cash outflows for leases of USD 1,333,471 in 2022 (2021: USD 1,543,718).

17. Significant related party transactions

(a) Sale and purchase of goods and services

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

	2022 USD	2021 USD
Holding company		
Commission received	3,069,633	1,604,862

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.

(b) Compensation of key management personnel

	2022 USD	2021 USD
Director's fee	-	1,432
Director's remuneration	267,321	263,757
	267,321	265,189

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

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

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

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

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

18. Financial risk management (Continued)

(a) Credit risk (Continued)

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

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

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

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

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

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

18. 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 >60 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

Trade receivables

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

As at reporting date, no allowance for expected credit loses 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 other than those balances with holding company comprising 100% (2021: 100%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

18. Financial risk management (Continued)

(a) Credit risk (Continued)

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.

(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. The director is satisfied that funds are available to finance the operations of the Company.

18. 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 reporting date based on contractual undiscounted repayment obligations.

2022	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	1,340,566	1,340,566	1,340,566	-	-
Other receivables^	44,644	44,644	44,644	-	-
Cash and cash equivalents	177,694	177,694	177,694	-	-
Total undiscounted financial assets	1,562,904	1,562,904	1,562,904	-	-
Financial liabilities					
Other payables	7,890	7,890	7,890	-	-
Lease liabilities	3,139,023	3,395,498	662,332	2,108,100	625,067
Total undiscounted financial liabilities	3,146,913	3,403,388	670,222	2,108,100	625,067
Total net undiscounted financial (liabilities)/assets	(1,584,009)	(1,840,484)	892,682	(2,108,100)	(625,067)

^Other receivables exclude advance to staff and prepayments.

18. Financial risk management (Continued)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

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^	86,460	86,460	86,460	-	-
Cash and cash equivalents	56,016	56,016	56,016	-	-
Total undiscounted financial assets	385,302	385,302	385,302	-	-
Financial liabilities					
Other payables	9,673	9,673	9,673	-	-
Lease liabilities	3,415,991	3,712,249	630,462	2,156,275	925,512
Total undiscounted financial liabilities	3,425,664	3,721,922	640,135	2,156,275	925,512
Total net undiscounted financial (liabilities)/assets	(3,040,362)	(3,336,620)	(254,833)	(2,156,275)	(925,512)

^Other receivables exclude advance to staff and prepayments.

18. 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 loan to parent company, cash and cash equivalents and borrowings.

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

	2022	2021
	USD	USD
Fixed rate instruments		
Financial liabilities	3,139,023	3,415,991

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").

18. 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:

		2022	
	USD	SGD	Total
	USD	USD	USD
Financial assets			
Trade receivables	1,340,566	-	1,340,566
Other receivables ^	-	44,644	44,644
Cash and cash equivalents	106,825	70,869	177,694
	1,447,391	115,513	1,562,904
Financial liabilities			
Other payables	-	7,890	7,890
Lease liabilities	-	3,139,023	3,139,023
Total undiscounted financial liabilities	-	3,146,913	3,146,913
Net financial assets/(liabilities)	1,447,391	(3,031,400)	(1,584,009)
Less: Net financial assets denominated in the Company's functional currency	(1,447,391)	-	(1,447,391)
	-	(3,031,400)	(3,031,400)

		2021	
	USD	SGD	Total
	USD	USD	USD
Financial assets			
Trade receivables	242,826	-	242,826
Other receivables ^	-	86,460	86,460
Cash and cash equivalents	34,461	21,555	56,016
	277,287	108,015	385,302
Financial liabilities			
Other payables	-	9,673	9,673
Lease liabilities	-	3,415,991	3,415,991
Total undiscounted financial liabilities	-	3,425,664	3,425,664
Net financial assets/(liabilities)	277,287	(3,317,649)	(3,040,362)
Less: Net financial assets denominated in the Company's functional currency	(277,287)	-	(277,287)
	-	(3,317,649)	(3,317,649)

^Other receivables exclude advance to staff and prepayments.

18. Financial risk management (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk (Continued)

A 10% strengthening of Singapore 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.

	Profit / (loss) before tax	
	2022	2021
	USD	USD
Singapore dollar	(303,140)	(331,765)

A 10% weakening of functional currency 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.

19. Fair values

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

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

Cash and cash equivalents, other receivables, and other payables

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

Trade receivables

The carrying amounts of these receivables (including trade balances due from/to holding 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.

20. Financial instrument by category

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

	2022 USD	2021 USD
Financial assets at amortised cost		
Trade receivables	1,340,566	242,826
Other receivables^	44,644	86,460
Cash and cash equivalents	177,694	56,016
Total financial assets measured at amortised cost	1,562,904	385,302
Financial liabilities at amortised cost		
Other payables	7,890	9,673
Lease liabilities	3,139,023	3,415,991
Total financial liabilities measured at amortised cost	3,146,913	3,425,664

^Other receivables exclude advance to staff and prepayment.

21. 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 accumulated losses.

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 2022 and 31 March 2021.

GREENPANEL SINGAPORE PTE. LTD.

DETAILED INCOME STATEMENTS
for the financial year ended 31 March 2022

	2022 USD	2021 USD
Revenue		
Sales	81,449	105,471
Commission	3,069,633	1,604,862
	3,151,082	1,710,333
Less: Cost of sales		
Purchases	79,616	98,068
Other cost of sales	141,189	83,281
	220,805	181,349
Gross profit	2,930,277	1,528,984
Add: Other income		
Foreign exchange gain	10,999	-
Government grants	41,373	68,797
Miscellaneous income	4,496	47,909
	56,868	116,706
Less: Operating expenses (See schedule attached)		
Administrative expenses	742,515	693,547
Other operating expenses	1,204,362	1,674,463
Finance costs	85,566	271,186
	2,032,443	2,639,196
Profit/(Loss) before tax	954,702	(993,506)

GREENPANEL SINGAPORE PTE. LTD.

SCHEDULE OF OPERATING EXPENSES
for the financial year ended 31 March 2022

	2022 USD	2021 USD
Administrative expenses		
Director remuneration	267,321	263,757
Director fee	-	1,432
Salaries and bonus	426,001	385,614
CPF	41,224	36,141
SDL	675	592
Medical expenses	7,294	6,011
	742,515	693,547
Other operating expenses		
Auditors remuneration	10,239	11,636
Bank charges	3,270	4,864
Car up-keep expenses	180,171	142,936
Courier and postage	4,882	4,746
Depreciation expenses	720,905	643,206
General expenses	147,090	182,710
Insurance	34,725	29,456
Loss on disposal of property, plant and equipment	12,721	461,403
Loss on exchange rate	-	106,820
Membership fee	9,359	20,171
PUB	1,196	1,359
Refreshment	89	117
Rental expenses	24,041	23,071
Repairs and maintenance	2,938	7,318
Stationery and printing	1,888	584
Legal, license and professional fees	13,908	10,664
Telecom charges	25,703	13,563
Travelling expenses	11,237	9,839
	1,204,362	1,674,463
Finance costs		
Finance lease interest	2,147	212,671
Lease liabilities interest	83,419	58,515
	85,566	271,186