

PT. GREENLAM INDO PACIFIC
(CO. Registration No. AHU-0022740.AH.01.01.TAHUN 2020)

(Incorporated in Indonesia)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

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FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022**

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INDEPENDENT AUDITORS' REPORT

Number. 00088/2.1369/AU.1/05/1697-1/1/IV/2022

The Shareholders, Commissioner, and Director
PT Greenlam Indo Pacific

We have audited the accompanying financial statements of **PT Greenlam Indo Pacific**, which comprise the statement of financial position as of March 31, 2022, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with IFRS (International Financial Reporting Standards), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT Greenlam Indo Pacific** as of March 31, 2022, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Restriction of use

This auditor report and financial statement is issued in accordance with IFRS (International Financial Reporting Standard) and its use shall be restricted for group consolidation purpose only. The main Statutory Audit Report and financial statement is issued in accordance with SFAS Indonesian (Statements of Financial Accounting Standards).

Other matter

The financial statements of the Company as of March 31, 2021 and for the year then ended which are presented as corresponding figures to the financial statements as of March 31, 2022 and for the year then ended, were unaudited by independent auditors.

SARJEN DAN REKAN



Sarjen Dahlan, CPA
License of Public Accountant No. AP. 1697

April 25, 2022

DIRECTORS' STATEMENT

The directors present their report to the members together with the financial statements of the Company for the financial year ended 31st March 2022.

We, the directors of **PT. GREENLAM INDO PACIFIC**, hereby state that:

- (a) The accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto as set out on pages 3 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2021 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended;
- (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; and
- (c) Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the provision of the Indonesian Companies Act and International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized 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.

DIRECTORS

The director of the Company in office at the date of this report are as follows:

Mr. Haja Nizamudeen

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 was 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, other than as disclosed under "Share options" in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

(No. of ordinary shares)	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31st March 2022	At 1st April 2021 or date of appointment if later	At 31st March 2022	At 1st April 2021 or date of appointment if later
<i><u>Pt Greenlam Indo Pacific</u></i>				
Haja Nizamudeen	-	-	-	-
	-	-	-	-
	-	-	-	-

Except as disclosed in this report, no director who held office at the end of financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

- (b) The directors' interest in the ordinary shares of the Company as at 28th April 2022 were the same as those as at 31st March 2022.

DIRECTORS' STATEMENT (CONT'D)

SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were 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 AUDITORS

The Independent auditor, Sarjen dan Rekan, Chartered Accountant of Indonesia, have expressed their willingness to accept re-appointment

On behalf of the Board



.....
Haja Nizamudeen
Director

Place : Jakarta, Indonesia

Date: 28th April 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022

	<u>Note</u>	<u>2022</u> IDR	(Unaudited) <u>2021</u> IDR
ASSETS			
Non-current assets			
Property, plant and equipment	5	860,484,320	59,861,916
Right-of-use asset	6	-	907,732,445
		860,484,320	967,594,361
Current assets			
Inventories	7	4,726,186,210	1,448,159,460
Trade and other receivables	9	1,130,419,856	535,911,326
Cash and cash equivalents	8	325,691,084	1,070,942,054
Other Current Asset	10	691,413,535	113,499,712
Right-of-use asset	6	413,958,462	-
		7,287,669,147	3,168,512,552
		8,148,153,467	4,136,106,913
Total assets			
LIABILITIES			
Current liabilities			
Lease liability	6	-	474,513,724
Trade and other payables	11	7,286,799,812	1,541,139,988
Contract liability	12	-	-
Provision for taxation	20	-	-
		7,286,799,812	2,015,653,712
Non-current liabilities			
Lease liability	6	-	-
Deferred tax liability	19	-	-
		-	-
Total Liabilities			
		7,286,799,812	2,015,653,712
NET ASSETS			
		861,353,655	2,120,453,201
EQUITY			
<i>Capital and reserves attributable to equity holders of the Company</i>			
Share Capital	4	2,500,000,000	2,500,000,000
Accumulated profits		(1,638,646,345)	(379,546,799)
TOTAL EQUITY		861,353,655	2,120,453,201

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

	<u>Note</u>	<u>2022</u> IDR	(Unaudited) <u>2021</u> IDR
Sales	13	8,203,855,821	-
Cost of sales	14	(6,133,012,419)	-
Gross profit		2,070,843,402	-
Other income	15	7,749,861	2,805,935
		2,078,593,263	2,805,935
Less :			
- Employee Benefit Expenses	16	2,130,506,044	237,613,086
- Depreciation	5	132,518,249	1,405,583
- Amortization-Right To Use asset	6	493,773,983	79,815,521
- Admin & Other operating expenses	17	533,408,258	54,552,786
		3,290,206,534	373,386,976
Profit from operations		(1,211,613,271)	(370,581,041)
Less : Finance costs	18	47,486,275	8,965,758
Profit before tax		(1,259,099,546)	(379,546,799)
Income tax (expense)	20	-	-
Deferred tax	19	-	-
Profit after tax		(1,259,099,546)	(379,546,799)
Profit / (loss) from discontinued operations		-	-
Total Income		(1,259,099,546)	(379,546,799)
<u>Other comprehensive income:</u>			
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income, net of tax		-	-
Total Comprehensive income		(1,259,099,546)	(379,546,799)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

	Attributable to equity holders of the Company		
	<u>Share Capital</u> IDR	<u>Accumulated Profit</u> IDR	<u>Total Equity</u> IDR
Balance as at 31 st March 2020	2,500,000,000	-	2500,000,000
Total Comprehensive loss	-	(379,546,799)	(379,546,799)
Dividend paid during the year	-	-	-
Balance as at 31 st March 2021	2,500,000,000	(379,546,799)	2,120,453,201
Total comprehensive income	-	(1,259,099,546)	(1,259,099,546)
Balance as at 31st March 2022	2,500,000,000	(1,638,646,345)	861,353,655

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

	<u>Note</u>	<u>2022</u> <u>IDR</u>	<u>2021</u> <u>IDR</u>
<u>Cash flows from operating activities</u>			
Profit before tax		(1,259,099,546)	(379,546,799)
Adjustments for:			
- Depreciation	5	132,518,249	1,405,583
- Amortization of RoU Asset	6	493,773,983	79,815,521
- Interest	6	47,486,275	8,965,758
		(585,321,039)	(289,359,937)
Change in working capital:			
- Trade & other receivables	9	(594,508,530)	(535,911,326)
- Change in inventory	7	(3,278,026,750)	(1,448,159,460)
- Other current assets	10	(577,913,823)	(113,499,712)
- Trade & other payable	11	5,745,659,825	1,541,139,988
		1,295,210,722	(556,430,510)
Cash generated from operations			
Income tax paid	20	-	-
Net cash generated from operating activities		709,889,683	(845,790,447)
<u>Cash flows from investing activities</u>			
Additions to property, plant and equipment	5	(933,140,653)	(61,267,499)
Disposal of fixed assets		-	-
Net cash (used in) investing activities		(933,140,653)	(61,267,499)
<u>Cash flows from financing activities</u>			
- Equity capital introduction	4	-	2,500,000,000
- Interest on lease Payment	6	(47,486,275)	(8,965,758)
- Lease Payments- Principal	6	(474,513,725)	(513,034,242)
Net cash (used in) financing activities		(522,000,000)	1,978,000,000
Net increase in cash and cash equivalents		(745,250,970)	1,070,942,054
Cash and cash equivalents at beginning of the financial year		1,070,942,054	-
Cash and cash equivalents at end of the financial year	8	325,691,084	1,070,942,054

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

1. General information

PT. GREENLAM INDO PACIFIC (AHU-0022740.AH.01.01.TAHUN 2020). is a Company Incorporated in Indonesia with its office at Jl. Pulokambing II No. 26, Kawasan Industri Pulogadung, Jakarta Timur - 13930

The principal activities of the company are that of general wholesale trade (including general Importers and Exporters laminate materials and other interior materials).

The immediate & ultimate holding company of the company is Greenlam Asia Pacific Pte. Ltd a company incorporated in Singapore.

2. Significant Accounting Policies

2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2020

The Company has adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application for the financial year.

2.2 Leases

The accounting policy for leases are as follows:

(i) When the Company is the lessee:

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. Reassessment is only required when the terms and conditions of the contract are changed.

• Right-of-use assets

The Company recognized a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within 'Property, plant and equipment' or as a separate line item on the statement of financial position. Right-of-use asset which meets the definition of an investment property is presented within 'Investment properties' and accounted for accordingly.

• Lease liability

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

2. Significant Accounting Policies (Continued)**2.2 Leases (cont'd)***(i) When the Company is the lessee (cont'd):*

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non- lease component for property leases and account these as one single lease component.

Lease liability is measured at amortized cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

• Short term and low value leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

• Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognize those lease payments in profit or loss in the periods that triggered those lease payments.

2.3 Revenue recognition

Sales are recognized when control of the goods has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a contract liability. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. A receivable (financial asset) is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Interest income

Interest income, including income arising from fixed deposits and other financial instruments, is recognized using the effective interest method.

2. Significant Accounting Policies (Continued)**2.4 Government grants**

Grants from the government are recognized as a receivable 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.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Property, plant and equipment**a) Measurement****(i) Plant and equipment**

Plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of plant and equipment initially recognized includes its purchase price and any cost that is 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. Cost also includes borrowing costs that are directly attributable to the acquisition.

(b) Depreciation

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Motor Vehicles	8-10 years	Computers	4 years
Furniture and fittings	8-10 years	Office equipment	4 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognized in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss within "Other gains/losses – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Financial assets**(a) Classification and measurement**

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

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

2. Significant Accounting Policies (Continued)**2.6 Financial assets (Continued)****(a) Classification and measurement (Continued)**

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***(i) Debt instruments**

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. 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:

Amortized 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 amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized 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 recognized 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 recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognized using the effective interest rate method and presented in "interest income".

FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognized in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognized 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 recognize 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 recognized in profit or loss as "dividend income".

2. Significant Accounting Policies (Continued)**2.6 Financial assets (Continued)****(b) Impairment**

The Company assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(c) Recognition & Derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized 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 financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized 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 recognized in profit or loss if there was no election made to recognize 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 recognized in other comprehensive income and transferred to retained profits along with the amount previously recognized in other comprehensive income relating to that asset. Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognized until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.7 Financial guarantees

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognized in accordance with the principles of IFRS 15; and
- (b) the amount of expected loss computed using the impairment methodology under IFRS 9.

2.8 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are represented as non-current liabilities. Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharges or cancelled or expired.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities. Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

2. Significant Accounting Policies (Continued)**2.10 Impairment of non- financial assets**

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense, a reversal of that impairment is also recognized in profit or loss.

2.11 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average cost method. However, goods-in-transit due to its very nature is presented at cost. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any allowance for write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs.

At the end of each year Company identifies old and slow-moving inventories and makes provision for the same in the Income Statement. The amount of any reversal of any allowance made previously for write-down of inventories, arising from subsequent sales of such items to the extent of quantities sold is recognized as revenue in the income statement. The Company will keep the provision in the Accounts in Statement of Financial Position until such time the inventories are fully written off, as the nature of goods i.e. cables & connectors can be used as long as there is demand and until they are completely outdated

2.12 Income taxes

Current income tax for current and prior periods is recognized 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 statement of financial position date.

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. A deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognized 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 utilized.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date; and
- (b) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognized as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognized directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition. The Company accounts for investment tax credits

Significant Accounting Policies (Continued)

(for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognized for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilized.

2.13 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, which is probable of resulting in a future outflow of economic benefits that can be measured reliably.

2.14 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.15 Employee Compensation

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

(a) Defined contribution plans

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.

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed at the earlier of the following dates: (a) when the Company is terminating the employment of current employees according to a detailed formal plan without possibility of withdrawing the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that is within the scope of IFRS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

2.16 Currency Translation**(a) Functional and presentation currency**

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Indonesia Rupiah, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognized in profit or loss.

2.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents

Significant Accounting Policies (Continued)

2.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

2.19 Share capital & dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgements 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.

3.1 Critical accounting estimates and assumptions & Key Sources of estimation uncertainty

(a) Uncertain tax positions

The Company is subject to income taxes in Indonesia jurisdictions. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Company has significant open tax assessments with a tax authority at the statement of financial position date. As management believes that the tax positions are sustainable, the Company has not recognized any additional tax liability on these uncertain tax positions.

(b) Provision for expected credit loss (ECL's) of trade receivables

Based on the Company's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Company has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately.

(c) Critical judgement over the lease terms

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

The Company considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions. The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

4. Share capital**As at 31st March 2022**

	<u>Issued Share Capital</u>	
	<u>No. of Ordinary shares</u>	<u>Amount IDR</u>
Beginning of the financial year	2500	2,500,000,000
Shares issued	-	-
End of the financial year	2500	2,500,000,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and a right to receive dividends as and when declared by the Company. The Company is not exposed to any externally imposed capital requirements and there are no restrictions to issue shares.

5. Property, Plant and equipment

	<u>Computers & Software</u>	<u>Furniture & fittings</u>	<u>Motor vehicles</u>	<u>Office / warehouse equipment</u>	<u>Total</u>
<u>Cost</u>	IDR	IDR	IDR	IDR	IDR
Balance as at 31st March 2021	26,272,727	-	-	34,994,772	61,267,499
Additions	117,950,891	815,189,762	-	-	933,140,653
Disposals/ Assets Written off	-	-	-	-	-
Balance as at 31st March 2022	144,223,618	815,189,762	-	34,994,772	994,408,152
<u>Accumulated depreciation</u>					
Balance as at 31st March 2021	983,728	-	-	421,855	1,405,583
Depreciation for the year	34,319,254	89,344,838	-	8,854,157	132,518,249
Disposals/ Assets Written off	-	-	-	-	-
Balance as at 31st March 2022	35,302,982	89,344,838	-	9,276,012	133,923,832
<u>Net book value</u>					
As at 31 March 2021	25,288,999	-	-	34,572,917	59,861,916
As at 31 March 2022	108,920,636	725,844,924	-	25,718,760	860,484,320

6. Right-of use assets / Lease liability

	<u>2022</u>	<u>2021</u>
	IDR	IDR
<u>Right-of-use assets</u>		
<u>(on adoption of IFRS 16)</u>		
RoU asset [Leasing]	907,732,445	987,547,966
RoU asset [Motor vehicle]	-	-
Total RoU assets [at cost]	907,732,445	987,547,966
Less: Depreciation charge		
On Leased premises	493,773,983	79,815,521
On Leased motor vehicle	-	-
	<u>413,958,462</u>	<u>907,732,445</u>

Right-of-use of assets acquired under leasing arrangements of the same class of assets are presented in line with IFRS 16..

The Company has made an upfront payment to secure the right-of-use of a 2-year leasehold premises, which is used in the Company's retail operations. There is no externally imposed covenant on these lease arrangements.

Right-of use assets / Lease liability (cont'd)

	<u>2022</u>	<u>2021</u>
	IDR	IDR
<u>Lease liability</u>		
<u>(on adoption of IFRS 16)</u>		
Lease liability [Leasing]	474,513,725	987,547,966
Lease liability [Motor vehicle]	-	-
Total Lease liability	474,513,725	987,547,966
Add: Interest expense	47,486,275	8,965,758
On Leased premises	-	-
Less: repayment of principal & interest	(522,000,000)	(522,000,000)
	<u>-</u>	<u>474,513,725</u>
<u>Represented by:</u>		
Current	-	474,513,725
Non-current	-	-
Total	<u>-</u>	<u>474,513,725</u>

7. Inventories

	<u>2022</u>	<u>2021</u>
	IDR	IDR
Stock at warehouse	4,146,761,941	-
Stock in transit	579,424,269	1,448,159,460
	<u>4,726,186,210</u>	<u>1,448,159,460</u>

8. Cash and cash equivalents

PT. GREENLAM INDO PACIFIC

(Incorporated in Indonesia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

	<u>2022</u> IDR	<u>2021</u> IDR
Cash in Hand	18,478,185	-
Cash at Bank	307,212,899	1,070,942,054
Cash and cash equivalents per statement of cash flows	325,691,084	1,070,942,054

The cash & cash equivalents approximate its fair value as on the statement of financial position date and are denominated in following currencies: -

	<u>2022</u> IDR	<u>2021</u> IDR
Indonesian Rupiah	325,691,084	1,070,942,054
	325,691,084	1,070,942,054

9. Trade and other receivables

	<u>2022</u> IDR	<u>2021</u> IDR
<u>Trade Receivables</u>		
-Third Party	1,078,413,668	-
-Related Parties	-	-
	1,078,413,668	-
Less: Provision for doubtful debt		
Beginning of the year	-	-
Current year provision	-	-
Reversal of provision / written back	-	-
Balance at the end of the year	-	-
	1,078,413,668	-
<u>Other Receivables</u>		
Prepaid expenses	52,006,188	445,609,526
Trade Advance Paid to Vendor	-	90,301,800
Advance to staff	-	-
Other receivables	-	-
	52,006,188	535,911,326
Total trade and other receivables	1,130,419,856	535,911,326

The credit period of trade receivables is 30 - 90 days. Trade and other receivables approximate its fair value as on the statement of financial position date and are denominated in Indonesian Rupiah.

10. Other Current Assets

	<u>2022</u> IDR	<u>2021</u> IDR
Security Deposit	48,500,000	5,000,000
VAT Receivable	399,569,535	108,499,712
Advance Income Tax	-	-
Withholding Tax Receivable	243,344,000	-
	691,413,535	113,499,712

Other current asset approximates its fair value as on the statement of financial position date and are denominated in Indonesian Rupiah

11. Trade and other payables

	<u>2022</u> IDR	<u>2021</u> IDR
<u>Trade payables</u>		
-Third Party	-	-
-Related Parties	7,083,303,215	1,459,137,460
<i>Other payables:</i>		
- Accruals for operating expenses	-	-
- Liability to Employees	14,823,320	2,563,186
- Other Trade Creditors	37,333,433	-
- Advance from Customer	99,992	-
- Misc. Exp. Payable	136,350,813	77,455,756
- Withholding Tax Payable	14,889,039	1,983,586
- VAT Payable	-	-
	203,496,597	82,002,528
Total trade & other payables	7,286,799,812	1,541,139,988

11. Trade and other payables (Cont'd)

The credit period of trade payables is 30-180 days. Trade Payables to related parties are denominated in USD, while other payables approximate its fair value as on the statement of financial position date and are denominated in Indonesian Rupiah.

12. Contract liability / Contract asset

	<u>2022</u> IDR	<u>2021</u> IDR
<u>Contract liability</u>		
Balance at the beginning	-	-
Add: Unsatisfied performance obligation on revenue recognized in current period	-	-
Less: Previous period's revenue recognized in current period from performance obligation satisfied	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

The Company recognizes the contract liability on unfulfilled performance obligation based on the terms and conditions of the contracts entered in to with customers. If any quality claims received from customers will be passed on back to back basis to the ultimate holding company namely Greenlam Industries Limited, who is the sole supplier of all goods to the Company. Therefore, effectively the Company will never assume any liability from customers due to quality claims, if any arises.

Contract asset

There are no unfulfilled performance obligations exists with respect to contract asset as at the date of statement of financial statement.

13. Revenue

	<u>2022</u> IDR	<u>2021</u> IDR
<u>Recognized at a point in time</u>		
Sale of goods	<u>8,203,855,821</u>	<u>-</u>

Sale of goods revenue represents the invoiced value net of discounts during the financial year and is recognized when the entity has transferred the control over goods upon satisfaction of performance obligations to the buyer. The revenue is recognized upon successful satisfaction of performance obligation as per 'IFRS 15 – Revenue from contracts with customers.'

14. Cost of revenue

	<u>2022</u> IDR	<u>2021</u> IDR
Purchase of goods & other direct costs (includes changes in inventory, purchase, freight & Other incidental cost)	<u>6,133,012,419</u>	<u>-</u>

15. Other income

	<u>2022</u> IDR	<u>2021</u> IDR
Interest Received	7,449,861	2,805,935
Miscellaneous Income	3,00,000	-
Foreign Currency Gain/Loss	-	-
	<u>7,749,861</u>	<u>2,805,935</u>

16. Employee Benefit Expenses & Other Operating Expenses**Employee Benefit Expenses:**

	<u>2022</u>	<u>2021</u>
	IDR	IDR
<i>Staff Cost</i>		
Salary ,bonus & allowances	1,900,203,667	213,530,122
Contribution to defined plans	94,302,596	12,090,172
Termination & other benefits	109,803,781	10,963,192
	<u>2,104,310,044</u>	<u>236,583,486</u>
<i>Key Management Personnel</i>		
Salary ,bonus & allowances	21,750,000	-
Contribution to defined plans	4,446,000	1,029,600
Termination & other benefits	-	-
	<u>26,196,000</u>	<u>1,029,600</u>
	<u>2,130,506,044</u>	<u>237,613,086</u>

17. Admin & Other Operating Expenses:

	<u>2022</u>	<u>2021</u>
	IDR	IDR
Rate & Taxes	490,680	-
Insurance Charges	13,707,390	-
Printing & Stationary	34,889,198	351,100
Postage & Telephone	26,366,994	757,000
Travelling Expenses	24,292,800	-
Conveyance Expenses	11,535,739	10,166,500
Electricity Expenses	11,829,550	-
Legal & Professional Expenses	92,476,406	28,710,000
Vehicle Expenses	806,000	-
Bank Charges	4,102,208	1,077,186
Auditor Remuneration	30,010,000	-
Sales Promotion Expenses	220,967,420	-
Repair & Maintenance	3,590,300	-
General Expenses	30,888,132	13,491,000
Rebate & Claim	50,400,000	-
For Currency Gain/ Loss - Unrealized	3,050,499	-
For Currency Gain/ Loss - Realized	(25,995,059)	-
	<u>533,408,258</u>	<u>54,552,786</u>

18. Finance costs

	<u>2022</u>	<u>2021</u>
	IDR	IDR
Interest on Lease Rental	<u>47,486,275</u>	<u>8,965,758</u>

19. Deferred tax

	<u>2022</u>	<u>2021</u>
	IDR	IDR
Balance at the beginning	-	-
Current year adjustments to profit & loss	-	-
Over provision of deferred tax credit to profit & loss	-	-
Balance as at 31 st March	<u>-</u>	<u>-</u>

20. Taxation

	<u>2022</u> IDR	<u>2021</u> IDR
Balance at the beginning	-	-
Current year tax	-	-
Previous year (over)/ under provision		
Less: Income tax paid	-	-
Balance as at 31 st March	<u>-</u>	<u>-</u>

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate are as follows:-

	<u>2022</u> IDR	<u>2021</u> IDR
Profit before income tax	<u>(1,259,099,546)</u>	<u>(379,546,799)</u>
Tax calculated at tax rate of 22%	-	-
<u>Effects of:</u>		
- expenses not deductible for tax purposes	-	-
- income not subject to tax	-	-
- capital allowances	-	-
- Tax exemption and rebates	-	-
- Prior year's over provision	-	-
Tax expense	<u>-</u>	<u>-</u>

21. Significant related party transactions

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

Company

	<u>2022</u> IDR	<u>2021</u> IDR
<u>I. Holding company</u>		
Greenlam Asia Pacific Pte.Ltd.		
- Purchase & other direct cost	7,924,299,890	1,448,159,460
- Trade payables	7,083,303,215	1,448,159,460
- Corp. Guarantee Commission paid	-	-

22. Financial risk management*Financial risk factors*

The Company's activities expose it to market risk (including currency risk, interest rate risk, etc.), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize any adverse effects from the unpredictability of financial markets on the Company's financial performance. The management continuously monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

22.1 Market risk
Currency risk

The Company has limited exposure to foreign currency risk as part of its normal business. The functional currency of the Company is in IDR. As such the Company's sales and operating expenses are in IDR and purchase are in USD

At 31st March 2022**Financial assets:**

	<u>Total</u> IDR
Cash and cash equivalents	-
Trade and other receivables	-
Total	<u>-</u>

Financial liabilities

Trade and other payables	-
Amount due to holding company	7,083,303,215
Total	<u>7,083,303,215</u>

22. Financial risk management (cont'd)**22.2 Credit risk**

Credit risk refers to the risk that 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 and trade receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining sufficient collateral. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual counterparty is restricted by credit limits that are based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored by management. As the Company do 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 Company uses a provision matrix to measure the 12-month expected credit losses and/or lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macro-economic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

The Company and Company's credit risk exposure in relation to trade receivables under IFRS 109 as at *31 March 2022* are set out in the provision matrix as follows:

Description	0 - 60 days	61 - 120 days	121 - 180 days	181 days & above	TOTAL
	IDR	IDR	IDR	IDR	IDR
Ageing for previous year 2021 (A)	-	-	-	-	-
Bad debts / provision during 2021 (B)	-	-	-	-	-
Credit loss % (C)=(B/A)	-	-	-	-	-
Ageing for current year 2022 (D)	1,078,413,668	-	-	-	1,078,413,668
Credit loss expected in current year {(D x C) or actual provision, whichever is higher}	-	-	-	-	-

22.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by the Company for managing liquidity risk included cash and cash equivalents (Note 8).

The table below analyses non-derivative financial liabilities of the Company into relevant maturity group based on the remaining period from the statement of financial position date to the contractual maturity date (contractual and undiscounted cash flows): -

31st March 2022	Maturity	Maturity	Total	Applicable
<u>Financial Liabilities</u>	<u>< 1 year</u>	<u>2 - 5 years</u>		<u>Interest Rate</u>
<u>Company</u>	<u>IDR</u>	<u>IDR</u>	<u>IDR</u>	<u>Refer #</u>
Trade payables	7,083,303,215	-	7,083,303,215	Note 11
Accruals	52,256,745	-	52,256,745	Note 11
Other creditors	151,239,852	-	151,239,852	Note 11
Total	<u>7,286,799,812</u>	<u>-</u>	<u>7,286,799,812</u>	

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Company and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Company in accordance with the practice and limits set by the Company. 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.

22. Financial risk management (cont'd)

22.4 Capital risk

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 maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	<u>2022</u> <u>IDR</u>	<u>2021</u> <u>IDR</u>
Net debt	6,961,108,728	470,197,934
Total equity	861,353,655	2,120,453,201
Total capital	<u>7,822,462,383</u>	<u>2,590,651,135</u>
Gearing ratio	<u>.89 Times</u>	<u>.18 Times</u>

22.5 Fair value measurements

The following represents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value measurements are not applicable to the Company and the Company as there are no financial assets or liabilities of the type of levels 1, 2 or 3 balances exists as at the date of statement of financial position.

23. Subsequent Events and Going concern

The Coronavirus Disease 2019 ("COVID-19") pandemic has significantly impacted entities, disrupting their operations, financial, risk management and internal control systems. At the same time, the global financial markets and prices of several commodities are experiencing unprecedented volatility.

The Company makes assumptions and judgements for the recognition of gains and losses, and the potential impact on going concern, amongst other key considerations in preparing these financial statements, as below;

i) Disruption in operations: Impact of COVID-19

There is no material uncertainty about the entity's ability to continue as a going concern and hence the going concern assumption remains appropriate as at the date of issuance of the financial statements.

(ii) Rent concessions

There are no rent concessions have been granted to lessees in variety of forms, including payment holidays and deferral of lease payments.

(iii) Impairment of financial assets

The COVID-19 pandemic has caused and may continue to cause significant disruptions to global economies and business operations of many companies. As a result, assumptions revisited by the Company includes:

- a) Companying's of receivables that share similar credit risk characteristics; and
- b) forward - looking information included in the determination of loss rates and use of multiple scenarios.

(v) Revenue from contracts with customers

Management estimates the amount of price concessions using the expected value method, taking into account relevant information known and available to management (including the Company's experience in providing price concessions for goods of dissatisfactory quality and customers' payment patterns). In estimating the amount of price concessions from 'prompt payment discounts' for the financial year ended 31 March 2022,

23. Subsequent Events and Going concern (Cont'd)

Management had incorporated their recent experience that payments from certain customers were less 'prompt' as compared to prior years before the COVID-19 pandemic.

The management is closely monitoring the Company and Company's operations, liquidity and resources and is actively working to minimize the current and future impact of any unprecedented situation or uncertainty which might arise due to Coronavirus disease (COVID-19). According to the management's assessment, these financial statements do not include any adjustment that might result from the outcome of any such uncertainty and the current COVID-19 pandemic situation does not pose any significant material risk to business operations and going concern status of the Company and Company as of the date of the issuance of these financial statements.

24. Authorization of financial statements

These consolidated financial statements of the Company and Company as at 31st March 2022 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of **PT.Greenlam Indo Pacific**, on 28th April 2022.