GREENLAM ASIA PACIFIC PTE. LTD.
AND ITS SUBSIDIARIES
(ACRA REGISTRATION NO. 200503703Z)

(Incorporated in The Republic of Singapore)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31st March 2021 and the statement of financial position of the Company as at 31st March 2021.

We, the directors of **Greenlam Asia Pacific Pte. Ltd.**, hereby state that;

(a) the accompanying statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 5 to 32 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31st March 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements;

(b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group 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 Singapore Companies Act Cap 50 (the "Act") and Singapore 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 Group's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Group's financial reporting process.

DIRECTORS

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

Saurabh Mittal
Tham Chin Kuo
Sharma Vaibhav

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:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
[No. of ordinary shares]	At 31 March 2021	At 1 Apr 2020 or date of appointment if later	At 31 March 2021	At 1 Apr 2020 or date of appointment if later
Company				
Saurabh Mittal	-	-	3,146,534	3,206,534
Tham Chin Kuo	-	-	-	-
Sharma Vaibhav	-	-	-	-
Immediate and Ultimate Holding Company				
Greenlam Industries Ltd.	2,778,865	2,778,865	-	-
Directors having interest in immediate and ultimate holding company.				
Saurabh Mittal	3,146,534	3,206,534	-	-
Tham Chin Kuo	-	-	-	-
Sharma Vaibhav	-	-	-	-

The immediate & ultimate holding company of the Company is 'Greenlam Industries Ltd', a Company incorporated in India.

DIRECTORS' STATEMENT (CONT'D)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

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 ..... 19th May 2021 ..... were the same as those as at 31st March 2021.

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 auditors, Stamford Associates LLP, Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

.....	.....
Saurabh Mittal	Tham Chin Kuo
Director	Director

Place: Singapore.

Date: 19th May 2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREENLAM ASIA PACIFIC PTE. LTD.
(REGISTRATION NO. 200503703Z)
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

Our Opinion

In our opinion, the accompanying consolidated financial statements of **Greenlam Asia Pacific Pte. Ltd**. (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of financial position of the Group as at 31st March 2021;
- the statement of financial position of the Company as at 31st March 2021;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We 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 Group 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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Other information

Management is responsible for the other information. The other information refers to the "Directors' Statement" section on pages 1 to 2 of the annual report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the annual report which are expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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. When we read the remaining sections of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets. In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

The Impact of Uncertainties Due to the Outbreak of COVID-19 on Our Audit

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the group financial statements. Our audits assess and challenge the reasonableness of estimates made by the directors, such as expected credit losses, impairment of assets, impact of revenue and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance. The outbreak of this virus is one of the most significant economic events for Singapore and other locations where the group operates, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, our audit should not be expected to predict the unknowable factors and / or all possible future implications for the group and in particular in relation to COVID-19. As such, these financial statements do not include any adjustment that might result from the outcome of the uncertainty caused due to COVID-19.

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Other matters

We noted that the subsidiaries namely 'Greenlam Europe (UK) Ltd.' and 'Greenlam Decolan SA' have negative net worth of GBP758,707/- and CHF102,378/- respectively as at the date of statement of financial position. However, the auditors of respective subsidiaries have not issued any 'emphasis of matter' in this regard considering an unconditional and irrevocable financial support provided by both the immediate holding company and ultimate holding company.

STAMFORD ASSOCIATES SINGAPORE T07LL0683E CA (Singapore)

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STAMFORD ASSOCIATES LLP
Public Accountants and
Chartered Accountants, Singapore.

Place : Singapore
Date : 19th May 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
ASSETS	Note	US$	US$	US$	US$
Non-current assets					
Investment in subsidiaries	5	-	-	402,115	231,294
Goodwill	6	58,926	58,926	-	-
Financial assets FVOCI	7	-	-	-	-
Right-of-use assets	8	430,356	494,825	198,362	228,184
Property, plant and equipment	9	630,978	807,639	532,982	690,502
Deferred tax asset	18	297,148	322,067	-	-
Total Non - Current assets		1,417,408	1,683,457	1,133,459	1,149,980
Current assets					
Cash and cash equivalents	10	917,711	672,068	202,842	118,875
Inventories	11	5,529,640	4,421,584	1,200,751	1,193,064
Trade and other receivables	12	6,607,756	7,060,523	3,042,768	3,718,478
Amount due from related parties	13	88,618	-	57,941	716,455
Contract asset	14	-	-	-	-
Total Current Assets		13,143,725	12,154,175	4,504,302	5,746,872
TOTAL ASSETS		**14,561,133**	**13,837,632**	**5,637,761**	**6,896,852**
LIABILITIES					
Non - Current liabilities					
Lease liability	8	(258,106)	(369,749)	(160,683)	(198,977)
Term loans [non-current]	17	(529,950)	(520,350)	-	-
Deferred tax liability	18	-	-	(4,593)	(2,121)
Total Non - Current Liabilities		(788,056)	(890,099)	(165,276)	(201,098)
Current liabilities					
Lease liability	8	(152,774)	(138,192)	(42,789)	(38,684)
Contract liability	14	-	(1,762)	-	(1,762)
Trade and other payables	15	(8,227,910)	(6,182,838)	(688,913)	(371,197)
Bank borrowings	16	-	(337,148)	-	(337,148)
Term loans [current]	17	(3,029,711)	(4,243,828)	(1,651,911)	(3,004,828)
Provision for taxation	19	(29,649)	(102,761)	(26,182)	(102,667)
Total Current Liabilities		(11,440,044)	(11,006,529)	(2,409,795)	(3,856,286)
Total Liabilities		**(12,228,100)**	**(11,896,628)**	**(2,575,071)**	**(4,057,384)**
NET ASSETS		**2,333,033**	**1,941,004**	**3,062,690**	**2,839,468**
EQUITY & RESERVES					
Capital and reserves attributable to equity holders of the Company					
Share capital	4	2,778,865	2,778,865	2,778,865	2,778,865
Accumulated (losses) / profits		(840,498)	(1,159,646)	283,825	60,603
Currency translation reserves	20	331,135	307,364	-	-
		2,269,502	**1,926,583**	**3,062,690**	**2,839,468**
Non-controlling interest	21	63,531	14,421	**-**	**-**
TOTAL EQUITY & RESERVES		**2,333,033**	**1,941,004**	**3,062,690**	**2,839,468**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

	Note	GROUP 2021 US$	GROUP 2020 US$	COMPANY 2021 US$	COMPANY 2020 US$
Revenue	22	38,394,841	39,557,103	18,847,474	23,848,334
Cost of revenue	23	(30,741,501)	(30,435,022)	(15,113,365)	(18,894,292)
Gross profit		7,653,340	9,122,081	3,734,109	4,954,042
Other income	24	785,900	645,510	245,632	71,196
		8,439,240	9,767,591	3,979,741	5,025,238
Less:					
Depreciation	8 / 9	(374,245)	(358,961)	(219,919)	(223,291)
Employee benefits expenses	25	(4,903,829)	(4,906,624)	(2,139,317)	(2,407,994)
Administrative expenses	26	(2,660,663)	(3,211,552)	(1,302,863)	(1,709,201)
		(7,938,737)	(8,477,137)	(3,662,099)	(4,340,486)
Profit from operations		500,503	1,290,454	317,642	684,752
Finance costs	27	(98,340)	(177,149)	(62,162)	(134,157)
Profit before tax		402,163	1,113,305	255,480	550,595
Deferred tax	18	(58,188)	333,442	(2,472)	855
Income tax expense	19	(34,969)	(117,977)	(29,786)	(111,184)
Profit after tax		309,006	1,328,770	223,222	440,266
Profit / (loss) from discontinued operations		-	-	-	-
Total Income		**309,006**	**1,328,770**	**223,222**	**440,266**
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Impairment loss on investments	5	-	-	-	(201,756)
Currency translation difference		23,579	50,904	-	-
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income/(loss), net of tax		23,579	50,904	-	(201,756)
Total Comprehensive income		**332,585**	**1,379,674**	**223,222**	**238,510**
Profit attributable to:					
Equity holders of the Company		319,148	1,328,003	223,222	440,266
Non-controlling interest		(10,142)	767	-	-
		309,006	**1,328,770**	**223,222**	**440,266**
Total Comprehensive Income attributable to:					
Equity holders of the Company		342,919	1,379,494	223,222	238,510
Non-controlling interest		(10,334)	180	-	-
		332,585	**1,379,674**	**223,222**	**238,510**

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

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

→ Attributable to equity holders of the Company ←

COMPANY	**Share Capital**	**Accumulated Profits**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 31st March 2019	2,778,865	922,093	3,700,958
Total comprehensive income	-	238,510	238,510
Dividend paid during the year	-	(1,100,000)	(1,100,000)
Balance as at 31st March 2020	2,778,865	60,603	2,839,468
Total comprehensive income	-	223,222	223,222
Balance as at 31st March 2021	**2,778,865**	**283,825**	**3,062,690**

→ Attributable to equity holders of the Company ←

GROUP	**Share Capital**	**Retained Earnings**	**Translation Reserve**	**Total**	**Non-controlling interests**	**Total Equity & reserves**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
Balance as at 31st March 2019	2,778,865	(1.053,489)	255,873	1,981,249	14,241	1,995,490
Pre-acquisition reserves	-	(334,160)	-	(334,160)	-	(334,160)
Currency translation difference	-	-	51,491	51,491	(587)	50,904
Total comprehensive income	-	1,328,003	-	1,328,003	767	1,328,770
Dividend paid during the year	-	(1,100,000)	-	(1,100,000)	-	(1,100,000)
Balance as at 31st March 2020	**2,778,865**	**(1,159,646)**	**307,364**	**1,926,583**	**14,421**	**1,941,004**
On acquisition of subsidiaries	-	-	-	-	59,444	59,444
Currency translation difference	-	-	23,771	23,771	(192)	23,579
Total comprehensive income	-	319,148	-	319,148	(10,142)	309,006
Balance as at 31st March 2021	**2,778,865**	**(840,498)**	**331,135**	**2,269,502**	**63,531**	**2,333,033**

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

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

		GROUP		COMPANY	
	Note	2021 US$	2020 US$	2021 US$	2020 US$
Cash flows from operating activities					
Profit before tax		402,163	1,113,305	255,480	550,595
Adjustments for:					
Depreciation on RoU assets	8	156,092	141,127	45,419	46,790
Depreciation on fixed assets	9	218,153	217,834	174,500	176,501
Translation difference:					
On RoU assets / Lease liability [net]	8	(10,095)	(3,920)	(10,443)	(246)
On fixed assets	9	(5,189)	1,994	-	-
On consolidation of foreign subsidiaries	20	23,579	50,904	-	-
On acquisition of new subsidiary		(35,080)	(30,254)	-	-
Interest income	24	(430)	(816)	(24,653)	(45,575)
Interest paid	27	98,340	177,149	62,162	134,157
		445,370	554,018	246,985	311,627
		847,533	1,667,323	502,465	862,222
Change in working capital:					
Inventories	11	(1,108,056)	(2,512,126)	(7,687)	107,415
Trade and other receivables	12	452,767	(1,103,277)	675,710	784,223
Amount due from related parties	13	(88,618)	-	658,514	(716,455)
Contract liability / Contract asset	14	(1,762)	(574)	(1,762)	(574)
Trade and other payables	15	2,045,072	3,058,890	317,716	130,588
		1,299,403	(557,087)	1,642,491	305,197
Cash from operations		2,146,936	1,110,236	2,144,956	1,167,419
Tax paid	19	(106,271)	(207,745)	(106,271)	(200,896)
Net cash flows from operating activities		2,040,665	902,491	2,038,685	966,523
Cash flows from investing activities					
Investment in subsidiary	5	-	-	(170,821)	(201,756)
Additions to fixed assets	9	(36,302)	(47,589)	(16,980)	(27,703)
Share of NCI on acquisition of subsidiaries		59,444	-	-	-
Pre-acquisition reserves		-	(334,160)	-	-
Net cash flows from investing activities		23,142	(381,749)	(187,801)	(229,459)
		2,063,807	520,742	1,850,884	737,064
Cash flows from financing activities					
Dividend paid		-	(1,100,000)	-	(1,100,000)
Proceeds from borrowings	16	(337,148)	(281,622)	(337,148)	(281,622)
Proceeds / (repayment) of term loan	17	(1,204,517)	1,250,908	(1,352,917)	803,358
Repayment of lease liability [ex. interest]	8	(178,589)	(124,091)	(39,343)	(37,068)
Interest received	24	430	816	24,653	45,575
Interest expenses	27	(98,340)	(177,149)	(62,162)	(134,157)
Net cash flows from financing activities		(1,818,164)	(431,138)	(1,766,917)	(703,914)
Net increase / (decrease) in cash		245,643	89,604	83,967	33,150
Cash & cash equivalents at beginning of the year		672,068	582,464	118,875	85,725
Cash & cash equivalents at the end of year	**10**	**917,711**	**672,068**	**202,842**	**118,875**

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

1. General information

Greenlam Asia Pacific Pte. Ltd., (the "Company") is a company incorporated and domiciled in Singapore. The registered office and principal place of business is situated at 11 Sungei Kadut Crescent, Singapore 728683.

The principal activities of the Group and Company is the business of wholesale of decorative laminates, sawn timber, plywood and related products. There have been no significant changes in the nature of these activities during the financial year.

The immediate & ultimate holding company of the Company is 'Greenlam Industries Ltd.', a Company incorporated in India.

2. Significant Accounting Policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group'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

On 1st April 2020, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

Effective for annual periods beginning on or after 1 January 2020:

- FRS 1 Presentation of Financial Statements and
  FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)
- FRS 103 Business Combinations (Definition of a Business)
- FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement and
  FRS 107 Financial Instruments: Disclosures (Interest Rate Benchmark Reform)
- Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Leases

(i) When the Group is the lessee:

At the inception of the contract, the Group 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 Group recognised 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 Group shall use its incremental borrowing rate.

2. Significant Accounting Policies (Cont'd)

2.2 Leases (cont'd)

(i) When the Group 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 is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group 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 amortised 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 Group's assessment of whether it will exercise an extension option; or
- There is 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 Group has elected not to recognise 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 Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.3 Revenue recognition

Revenue is recognised when control of the products 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 Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognised 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 recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a contract liability. The claims are expected to be settled in the next financial year. A receivable (financial asset) is recognised 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.

(a) Sale of goods - decorative laminates, sawn timber, plywood, etc.

Revenue from local sales is recognized when the Group has delivered the goods and accepted by the customers. Revenue from overseas sales is recognized when the Group has shipped the goods and bill of lading is issued by the carrier. These goods are sold to certain customers with volume discount and the customers also have the right to return faulty goods.

2. Significant Accounting Policies (Cont'd)

2.3 Revenue recognition (cont'd)

(a) Sale of goods - decorative laminates, sawn timber, plywood, etc. (cont'd)
Revenue from these sales is recorded based on the contracted price less the estimated volume discount and returns at the time of sale. Past experience and projections are used to estimate the anticipated volume of sales and returns.

(b) Rendering of service
Revenue from services is recognized when the services are rendered. Where services are provided in stages, revenue is recognized using the percentage of-completion method based on the actual service provided as a proportion of the total services to be performed.

(c) Interest income
Interest income, including income arising from finance leases and other financial instruments, is recognized using the effective interest method.

(d) Dividend income
Dividend income is recognized when the right to receive payment is established.

(e) Rental income
Rental income from operating leases (net of any incentives given to the lessees) is recognized on a straight-line basis over the lease term.

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 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. In preparing the consolidated financial statements, transactions, balances and unrealized gains on transactions between group entities are eliminated. Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill.

2. Significant Accounting Policies (Cont'd)

2.5 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognized. Amounts previously recognized in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard. Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognized in profit or loss.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognized within equity attributable to the equity holders of the Company.

(c) Associated companies and Joint Ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognized at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognized as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealized gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealized losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognized when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognized in profit or loss.

2.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

2. Significant Accounting Policies (Cont'd)

2.7 Intangible Assets

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of :

(i) the sum on the consideration transferred, the amount of non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over;

(ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognized separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

2.8 Property, plant and equipment

(a) Measurement

(i) Land and Buildings

Land and buildings are initially recognized at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Increases in carrying amounts arising from revaluation, including currency translation differences, are recognized in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognized in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognized in other comprehensive income. All other decreases in carrying amounts are recognized in profit or loss.

(ii) Other property, plant and equipment

All other items of other property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) 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.

(b) Depreciation

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

Furniture & fittings	3 years	Office equipment	3 - 5 years
Computers	3 years	Renovation	15 years
Machinery & equipment	3 - 8 years	Motor vehicles	3 - 6 years
Laminates racks	8 years	Leasehold building	15 years (remaining useful life: 04 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.

2. Significant accounting policies (Cont'd)

2.8 Property, plant and equipment (cont'd)

(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.

2.9 Impairment of non-financial assets

Intangible 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.

2.10 Financial assets

(a) Classification and measurement

The Group 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).

The classification depends on the Group'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 Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group 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 Group'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.

2. Significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

(i) Debt instruments (cont'd)

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 Group 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 Group 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 Group 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".

(b) Impairment

The Group 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 Group applies the simplified approach permitted by the SFRS 109, 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 Group 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

2.11 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans.

2. Significant accounting policies (cont'd)

2.11 Financial liabilities (cont'd)

Financial liabilities are recognized on the Statement of Financial Position when, and only when, the Group 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 Group 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.

2.12 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 recognised in accordance with the principles of SFRS 115; and
(b) the amount of expected loss computed using the impairment methodology under SFRS 109.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group 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 recognised in profit or loss over the period of the borrowings using the effective interest method.

2.14 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. However, goods-in-transit due to its very nature is presented at cost. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Cost also includes any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.15 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 Group 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 balance sheet date; and
(b) based on the tax consequence that will follow from the manner in which the Group 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 Group accounts for investment tax credits (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. Significant accounting policies (cont'd)

2.16 Provisions

Provisions are recognised when the Group 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.

2.17 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 Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group 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 Group recognizes termination benefits when it is demonstrably committed at the earlier of the following dates: (a) when the Group 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 Group recognizes costs for a restructuring that is within the scope of FRS 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.

2.18 Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional and presentation currency is United States Dollars which is the currency of primary economic environment of the Group.

(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. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognized in other comprehensive income and accumulated in the currency translation reserve. When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal. Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses". Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;
(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) all resulting currency translation differences are recognized in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2. Significant accounting policies (cont'd)

2.19 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.

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated 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 and bank overdrafts. 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.

2.21 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group 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.

2.22 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 Group is subject to income taxes in numerous 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 Group 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 Group 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 Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group 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 Group 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 Group 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.

(d) Impairment of investment in subsidiaries (Refer to Note 5)

The overall impairment of investment in subsidiaries is assessed based on fair value of net assets / (liabilities) as per audited / unaudited financial statements of those subsidiaries. Where the subsidiaries were unaudited, have those financial statements would have been audited; the impairment assessment could have been assessed differently depending on variations if any between audited and unaudited financial statements of those subsidiaries.

4. Share capital

	Group & Company	
	Ordinary shares	Amount
As at 31 March 2021	**No's.**	**US$**
Beginning of the financial year	2,778,865	2,778,865
Shares issued during the year	-	-
End of the financial year	**2,778,865**	**2,778,865**
As at 31 March 2020		
Beginning of the financial year	2,778,865	2,778,865
Shares issued during the year	-	-
End of the financial year	**2,778,865**	**2,778,865**

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. Investment in subsidiaries

	Company	
	2021	**2020**
	US$	**US$**
Equity investment – At cost #	958,701	787,880
Movements in investments:		
Beginning of the financial year	231,294	231,294
Additions / (disposals) during the year*	170,821	201,756
Impairment (loss) recognized	-	(201,756)
End of the financial year	**402,115**	**231,294**

Details of investments in subsidiaries held by the Company:

Name of the subsidiary	Principal Activities	Country	Cost of investment		Equity holding	
			2021	2020	2021	2020
			US$	US$	%	%
Greenlam Asia Pacific (Thailand) Company Limited (GAPT)*	Wholesale of sawn timber, plywood, decorative laminates and related products	Thailand	57,872	57,872	97.5	97.5
Greenlam Holding Company Limited -Thailand (GHT)*	Investment holdings	Thailand	15,394	15,394	99	99
PT Greenlam Asia Pacific - Indonesia **	Cutting of laminate sheets, making catalogues and cutting of laminates into samples	Indonesia	247,500	247,500	99	99
Greenlam Europe (UK) Ltd+	Wholesale of decorative laminates	United Kingdom	265,358	265,358	100	100
Greenlam Decolan SA++	Wholesale of decorative laminates	Switzerland	201,756	201,756	100	100
PT Greenlam Indo Pacific**	Wholesale of decorative laminates	Indonesia	120,645	-	67	-
Greenlam Rus LLC**	Agent to generate sales	Russia	25,085	-	99	-
Greenlam Poland LLC**	Agent to generate sales	Poland	25,091	-	99	-
TOTAL			**958,701**	**787,880**		

*Audited by Luck CPA Co. Ltd., Bangkok, Thailand.
+Audited by CURO Professional Services Limited, Bromsgrove, U.K.
++ Audited by CAPIFID SA, Chiasso, Switzerland.
**Not required to be audited under the laws of the country of incorporation *(refer below).*

5. Investment in subsidiaries (cont'd)

**The Indonesian subsidiary was mainly incorporated to produce sales and marketing catalogues at low costs. It is only a cost center and not generating revenue from third parties. The Indonesian subsidiaries along with newly incorporated Russia & Poland subsidiaries did not audit their financial statements as they are not required to do so as per local regulations. The unaudited financials of these subsidiaries do not have any material impact on the Group and holding Company in Singapore. For Greenlam Poland LLC, the investment amount is capital commitment which will be paid up in due course.

Further, the investments in subsidiaries are tested for impairment based on the net assets position of the subsidiaries' audited / unaudited financial statements and presented at fair value as at the date of statement of financial position. Please also refer to Note 3.1 (d).

6. Goodwill

	Group	
	2021	**2020**
	US$	**US$**
Beginning of financial year	58,926	58,926
Movements during the year	-	-
End of the financial year	**58,926**	**58,926**

Goodwill is attributed to Thailand subsidiary's acquisition. The respective CGU is profitable as at the date of its financial statements and hence not impaired and represents its fair value as on the statement of financial position date.

7. Financial Assets FVOCI

	Group & Company	
	2021	**2020**
	US$	**US$**
Investments (ordinary equity shares) at cost	4,078	4,078
Movements in investments:		
Balance at the beginning	-	-
Additions during the year	-	-
Fair value loss recognized during the year through OCI	-	-
Balance at the end of the year	-	-

Financial Assets FVOCI represents ordinary shares allotted in the name of the Company by way of a schemes of arrangement of a Singapore listed entity namely 'Serrano Limited'; approximates its fair value as at the statement of financial position date and is denominated in Singapore dollars. However, the investment is fully impaired during the previous financial years.

8. Right-of use assets / Lease liability

	Group		Company	
	2021	**2020**	**2021**	**2020**
Right-of-use assets	**US$**	**US$**	**US$**	**US$**
(on adoption of SFRS 116)				
Balance B/f	494,825	-	228,184	-
Recognised / (derecognized) during the year	60,414	642,441	(7,599)	288,561
Depreciation charge	(156,092)	(141,127)	(45,419)	(46,790)
Forex adjustments gain / (loss)	31,209	(6,489)	23,196	(13,587)
	430,356	**494,825**	**198,362**	**228,184**

Right-of-use of assets acquired under leasing arrangements of the same class of assets are presented in line with SFRS 116.

	Group		Company	
Lease liability	**2021**	**2020**	**2021**	**2020**
(on adoption of SFRS 116)	**US$**	**US$**	**US$**	**US$**
Balance B/f	507,941	-	237,661	-
Recognised / (derecognized) during the year	60,414	642,441	(7,599)	288,561
Interest expense	18,947	22,469	8,413	10,620
Repayment of principle & interest	(197,536)	(146,560)	(47,756)	(47,687)
Forex adjustments gain/(loss)	21,114	(10,409)	12,753	(13,833)
	410,880	**507,941**	**203,472**	**237,661**
Represented by:				
Current	152,774	138,192	42,789	38,684
Non-current	258,106	369,749	160,683	198,977
Total	**410,880**	**507,941**	**203,472**	**237,661**

9. Property, plant and equipment

Group	Computers US$	Leasehold Building US$	Machineries US$	Renovation US$	Furniture & Fittings US$	Laminate Racks US$	Office Equipment US$	Motor Vehicles US$	Total US$
Cost									
Balance as at 1st April 2019	111,746	1,043,017	71,278	376,465	56,914	38,225	70,098	31,733	1,799,476
On acquisition of subsidiary	4,239	-	-	-	22,202	-	14,604	1,009	42,054
Additions	9,746	-	1,103	-	7,875	-	9,975	18,890	47,589
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	125,731	1,043,017	72,381	376,465	86,991	38,225	94,677	51,632	1,889,119
Additions	13,967	-	-	-	3,723	-	17,526	1,086	36,302
Reclassifications	(267)	-	2,736	-	(2,469)	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	139,431	1,043,017	75,117	376,465	88,245	38,225	112,203	52,718	1,925,421
Accumulated depreciation									
Balance as at 1st April 2019	47,446	451,200	63,484	161,312	4,400	36,185	62,322	30,427	856,776
On acquisition of subsidiary	636	-	-	-	2,081	-	2,041	118	4,876
Depreciation charge	24,674	112,800	6,615	41,009	18,646	1,991	8,540	3,559	217,834
Disposals	-	-	-	-	-	-	-	-	-
	72,756	564,000	70,099	202,321	25,127	38,176	72,903	34,104	1,079,486
Translation difference	950	-	185	-	833	-	13	13	1,994
Balance as at 31st March 2020	73,706	564,000	70,284	202,321	25,960	38,176	72,916	34,117	1,081,480
Depreciation charge	23,945	112,800	1,851	41,008	20,467	49	13,452	4,581	218,153
Reclassifications	(89)	-	1,340	-	(1,251)	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
	97,562	676,800	73,475	243,329	45,176	38,225	86,368	38,698	1,299,633
Translation difference	(1,853)	-	(161)	-	(2,519)	-	(632)	(24)	(5,189)
Balance as at 31st March 2021	95,709	676,800	73,314	243,329	42,657	38,225	85,736	38,674	1,294,443
Net book value									
As at 31st March 2021	**43,722**	**366,217**	**1,803**	**133,137**	**45,588**	**-**	**26,467**	**14,044**	**630,978**
As at 31st March 2020	**52,025**	**479,017**	**2,097**	**174,144**	**61,031**	**49**	**21,761**	**17,515**	**807,639**

9. Property, plant and equipment (cont'd)

Company	Computers US$	Leasehold Building US$	Machineries US$	Renovation US$	Furniture & Fittings US$	Laminate Racks US$	Office Equipment US$	Motor Vehicles US$	Total US$
Cost									
Balance as at 1st April 2019	109,400	1,043,017	31,007	379,192	24,791	43,373	66,096	25,772	1,722,648
Additions	4,679	-	1,103	-	240	-	2,791	18,890	27,703
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	114,079	1,043,017	32,110	379,192	25,031	43,373	68,887	44,662	1,750,351
Additions	5,880	-	-	-	-	-	11,100	-	16,980
Reclassifications	(267)	-	-	-	267	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	119,693	1,043,017	32,110	379,192	25,297	43,373	79,987	44,662	1,767,331
Accumulated depreciation									
Balance as at 1st April 2019	89,267	451,200	29,210	164,038	20,101	41,333	62,427	25,772	883,348
Depreciation charge	12,157	112,800	2,134	41,009	2,617	1,991	1,625	2,168	176,501
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	101,424	564,000	31,344	205,047	22,718	43,324	64,052	27,940	1,059,849
Depreciation charge	10,394	112,800	368	41,009	2,064	49	4,038	3,778	174,500
Reclassifications	(89)	-	-	-	89	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	111,729	676,800	31,712	246,056	24,871	43,373	68,090	31,718	1,234,349
Net book value									
As at 31st March 2021	**7,964**	**366,217**	**398**	**133,136**	**426**	**-**	**11,897**	**12,944**	**532,982**
As at 31st March 2020	**12,655**	**479,017**	**766**	**174,145**	**2,313**	**49**	**4,835**	**16,722**	**690,502**

10. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Cash in hand	3,432	24,928	948	379
Cash at bank	914,279	647,140	201,894	118,496
Cash & cash equivalents per SOCF	**917,711**	**672,068**	**202,842**	**118,875**

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

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
United States Dollars	46,516	2,547	46,516	2,547
SGD & Others	871,195	669,521	156,326	116,328
	917,711	**672,068**	**202,842**	**118,875**

11. Inventories

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Finished goods [at cost]	3,885,151	3,872,132	1,062,106	1,133,169
Goods-in-transit [at cost]	1,644,489	549,452	138,645	59,895
	5,529,640	**4,421,584**	**1,200,751**	**1,193,064**

Inventories are valued at lower of the weighted average cost and net realisable value and approximate its fair value as on the date of statement of financial position.

12. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
Trade receivables:	US$	US$	US$	US$
- Third parties	5,043,637	4,857,775	1,521,141	1,745,586
- Related parties (subsidiaries)	-	-	849,097	866,545
	5,043,637	4,857,775	2,370,238	2,612,131
Less: - Provision for doubtful debts				
Beginning of the year	-	(1,180)	-	(1,180)
Current year provision	-	-	-	-
Reversal of provision / written back	-	1,180	-	1,180
Balance at the end of the year	-	-	-	-
	5,043,637	**4,857,775**	**2,370,238**	**2,612,131**
Other receivables:				
Deposits:				
- Rental	66,840	15,313	10,793	10,175
- Others	459,630	452,654	3,368	2,217
Prepayments	318,985	399,870	109,397	135,660
Advances:				
- Staff advances	5,688	153	3,285	-
- Advance to vendors	602,965	1,230,818	542,442	952,827
- Other advances	59,129	55,636	-	-
GST receivables	29,449	36,538	3,245	5,468
Other debtors	21,433	11,767	-	-
	1,564,119	2,202,748	672,530	1,106,347
Total trade & other receivables	**6,607,756**	**7,060,523**	**3,042,768**	**3,718,478**

The credit period of trade receivables is 30-180 days. The trade and other receivables approximate its fair value as on balance sheet date and are denominated in following currencies: -

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
United States Dollars	2,855,757	3,092,571	2,548,054	3,075,071
SGD & Others	3,751,999	3,967,952	494,714	643,407
	6,607,756	**7,060,523**	**3,042,768**	**3,718,478**

13. Amount due from related parties

	Group		Company	
Non-trade advances:	2021 US$	2020 US$	2021 US$	2020 US$
Ultimate holding company [GIL]	30,677	-	-	716,455
Shareholder of a subsidiary [PT GIP]	57,941	-	57,941	-
	88,618	**-**	**57,941**	**716,455**

The non-trade advances due from related parties are unsecured, interest-free and repayable on demand; The amount due from shareholder of subsidiary is denominated in US dollars and the amount due from ultimate holding company is denominated in Russian Rouble and approximates its fair value as at the date of statement of financial position.

14. Contract liability / Contract asset

	Group & Company	
Contract liability	2021 US$	2020 US$
Balance at the beginning	**1,762**	**2,336**
Add: Unsatisfied performance obligation on revenue recognized in current period	-	1,762
Less: Previous period's revenue recognized in current period from performance obligation satisfied	(1,762)	(2,336)
Balance at the end of the year	**-**	**1,762**

The Company recognizes the contract liability and contract asset on unfulfilled performance obligation based on the terms and conditions of the contracts entered in to with a customer / supplier on case-to-case basis.

Contract asset

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

15. Trade and other payables

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Trade payables				
-Third parties	327,368	82,216	-	-
-Related parties	7,077,163	5,230,336	466,417	199,100
	7,404,531	5,312,552	466,417	199,100
Other payables:				
Accruals	459,220	94,138	159,084	63,702
Advance received from customers	34,482	41,739	24,647	36,783
GST payable	100,966	136,514	-	-
Other creditors	223,313	595,945	38,765	69,662
Payable to staff	5,398	1,950	-	1,950
	823,379	870,286	222,496	172,097
Total trade & other payables	**8,227,910**	**6,182,838**	**688,913**	**371,197**

The average credit period of trade creditors is 30 - 180 days. The trade and other payables approximate its fair value as at the date of statement financial position and are denominated in following currencies: -

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
United States Dollars	413,241	85,891	410,646	85,891
SGD & Others	7,814,669	6,096,947	278,267	285,306
	8,227,910	**6,182,838**	**688,913**	**371,197**

16. Bank borrowings

	Group & Company	
	2021 US$	2020 US$
Bank overdraft	**-**	**337,148**

The rate of interest payable on Bills –TR/ LC-DP to bank is COF plus 1.50% - 2.25% (2020: 2.25%) p.a. The rate of interest on bank overdraft is Prime lending rate + 1%. The other bank borrowings FBN (foreign bills negotiation), FBP (foreign bills purchased) bear interest rate at Cost of Fund (COF) plus 2.5% (2020: 2.5 %) p.a.

The bank borrowings approximate its fair value as at the statement of financial position date and are denominated in United States dollars.

17. Term loans

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Long-term working capital loan	529,950	520,350	-	-
Short-term money market facility	3,029,711	4,243,828	1,651,911	3,004,828
	3,559,661	**4,764,178**	**1,651,911**	**3,004,828**
Represented by:				
Payable within one year	3,029,711	4,243,828	1,651,911	3,004,828
Payable after one year	529,950	520,350	-	-
	3,559,661	**4,764,178**	**1,651,911**	**3,004,828**

The long-term working capital loan represents financial assistance approved by Switzerland Government to all the business entities operating in Switzerland due to COVID-19 outbreak. This loan is fully secured by Government guarantee, interest-free and not repayable until the end of 5 years from the date of loan received.

The short-term money market facility bears an interest rate of LIBOR+1.50% p.a. The short-term money market term loan is secured against corporate guarantee given by the ultimate holding company 'Greenlam Industries Ltd.', a listed entity in India and also a first exclusive charge on all assets and accounts of the Company *excluding* the Property at 11, Sungei Kadut Crescent. Credit Facilities for the short-term working capital requirements of the business in UK was taken with Citibank against the SBLC given by the ultimate holding company in India for an amount of GBP 1,000,000/-.

The term loans approximate its fair value as at the statement of financial position date and are denominated in following currencies:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
United States Dollars	1,651,911	3,004,828	1,651,911	3,004,828
SGD & Others	1,907,750	1,759,350	-	-
	3,559,661	**4,764,178**	**1,651,911**	**3,004,828**

18. Deferred tax asset / (liability)

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Balance at the beginning	322,067	(2,976)	(2,121)	(2,976)
Current year (charge) / reversal	(58,188)	333,442	(2,472)	855
Forex adjustments	33,269	(8,399)	-	-
Balance at 31st March	**297,148**	**322,067**	**(4,593)**	**(2,121)**

19. Income tax

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Balance at the beginning	102,761	194,004	102,667	192,380
Current tax expense	29,649	107,986	26,182	102,667
Forex adjustments	11,116	-	-	-
Prior year under provision	3,604	8,516	3,604	8,516
Income tax (paid)	(106,271)	(207,745)	(106,271)	(200,896)
Balance as at 31st March	**29,649**	**102,761**	**26,182**	**102,667**

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

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Profit before tax	402,163	1,113,305	255,480	550,595
Tax calculated at 17% (2020: 17%)	68,368	189,262	43,432	93,601
Effects of:				
- expenses not deductible	63,622	61,023	37,386	32,939
- income not subject to tax	(31,814)	(86,344)	(31,814)	(748)
- capital allowances	(4,229)	(3,815)	(4,229)	(3,815)
- tax (benefit) of foreign subsidiaries'	(45,989)	(31,356)	-	-
- prior year under provision	3,604	8,516	3,604	8,516
- tax exemptions & rebates	(18,593)	(19,309)	(18,593)	(19,309)
Tax expense	**34,969**	**117,977**	**29,786**	**111,184**

The above tax computation is subject to the approval of Inland Revenue Authority of Singapore (IRAS).

20. Currency Translation Reserve

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Balance at the beginning	307,364	255,873	-	-
Translation differences arised:				
- on year end balances	(45,781)	9,816	-	-
- from transactions during the year	69,552	41,675	-	-
	331,135	**307,364**	**-**	**-**

21. Non-controlling interest

Subsidiary [% shareholding]	NCI %	As at 01/04/2020	Share of capital/ accum. profit / (loss)	Translation difference	As at 31/03/2021
		US$	US$	US$	US$
Greenlam Asia Pacific (Thailand) Co. Ltd. (97.5%)	2.5%	12,671	(1,166)	602	12,107
Greenlam Holding Company Limited (99%)	1%	121	(6)	5	120
PT Greenlam Asia Pacific – Indonesia (99%)	1%	1,629	(215)	199	1,613
PT Greenlam Indo Pacific – Indonesia (67%)	33%	-	50,306	(992)	49,314
Grenlam Russia LLC (99%)	1%	-	315	(6)	309
Greenlam Poland LLC (99%)	1%	-	68	-	68
TOTAL		**14,421**	**49,302**	**(192)**	**63,531**

22. Revenue

	Group		Company	
	2021	2020	2021	2020
Recognised at a point in time	US$	US$	US$	US$
Sale of goods	**38,394,841**	**39,557,103**	**18,847,474**	**23,848,334**

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 'FRS 115 – Revenue from contracts with customers.'

23. Cost of revenue

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Purchase of goods & other direct costs [includes change in inventory, purchases, freight & other incidental costs]	**30,741,501**	**30,435,022**	**15,113,365**	**18,894,292**

24. Other income

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Miscellaneous income	493,997	634,912	188	15,839
Commission on sales	8,932	-	-	-
Reimbursement of expenses	61,750	-	-	-
Government grants	220,791	9,782	220,791	9,782
Interest income	430	816	24,653	45,575
	785,900	**645,510**	**245,632**	**71,196**

25. Employee benefit expenses

	Group		Company	
	2021	2020	2021	2020
Staff Cost	US$	US$	US$	US$
- Salaries, bonus & allowances	2,858,427	3,249,375	1,586,377	1,871,089
- Contribution to defined plans	190,322	154,986	117,284	117,436
- Termination & other benefits	342,032	322,973	95,829	77,087
	3,390,781	3,727,334	1,799,490	2,065,612
Key Management Personnel				
- Salaries, bonus, fee & allowances	1,459,591	1,168,067	339,827	342,382
- Contribution to defined plans	53,457	11,223	-	-
- Termination & other benefits	-	-	-	-
	1,513,048	1,179,290	339,827	342,382
	4,903,829	**4,906,624**	**2,139,317**	**2,407,994**

26. Admin & other operating expenses

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Rates & taxes	60,926	46,533	18,856	26,460
Insurance charges	29,274	54,367	6.069	30,211
Printing & stationery	19,858	27,759	6,587	12,684
Postage & telephone	109,622	119,474	46,928	58,345
Travelling expenses	29,922	243,787	3,754	161,778
Conveyance	115,309	165,983	25,976	51,284
Electricity charges	36,713	42,611	12,144	17,513
Legal & professional fees	298,801	311,876	43,848	50,530
Vehicle expenses	89,269	95,610	21,536	25,129
Commission	309,469	332,253	75,667	73,566
Membership fee	840	1,133	680	289
Bank charges	95,036	109,072	73,663	90,166
Auditors' remuneration	56,529	50,490	33,384	33,007
Retainer fee	-	27,280	-	-
Sales promotion expenses	778,023	1,141,791	704,177	853,322
Repairs & maintenance	83,471	79,876	38,496	53,112
General expenses	79,613	84,659	13,826	20,947
Rebates & claims	89,465	108,772	88,786	75,014
Guest house & shared services cost	212,001	208,328	44,548	47,728
License fee	36	2,602	36	124
Unrealised forex loss / (gain)	98,096	(93,467)	(6,853)	5,850
Realised forex loss / (gain)	22,605	50,763	4,970	22,142
Consultancy fee	45,785	-	45,785	-
	2,660,663	**3,211,552**	**1,302,863**	**1,709,201**

27. Finance expenses

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Interest on loans / bank borrowings	79,393	154,680	53,749	123,537
Interest on lease liability [note 8]	18,947	22,469	8,413	10,620
	98,340	**177,149**	**62,162**	**134,157**

28. Significant related party transactions

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

	Group		Company	
	2021	2020	2021	2020
I. Holding company:	US$	US$	US$	US$
Greenlam Industries Ltd.				
- purchases &other direct costs	30,782,767	30,182,554	15,035,874	18,613,081
- trade payables	7,077,163	5,230,336	294,345	57,615
- Corp. Guarantee Commission Paid	63,084	80,328	50,000	67,617
II. Subsidiary companies:				
Greenlam Asia Pacific (Thailand) Co.				
- sales	-	-	7,378,738	8,581,367
- purchases	-	-	-	-
- trade receivables	-	-	748,568	863,633
PT Greenlam Asia Pacific, Indonesia				
- trade payables	-	-	146,981	141,485
- sales promotion expenses	-	-	161,080	192,463
Greenlam Europe (UK) Ltd.				
- trade related receivables	-	-	-	2,179
Pt. Greenlam Indo Pacific				
- Sales	-	-	99,736	-
-Trade Receivable	-	-	99,736	-
-Non-trade Receivable	-	-	793	-
Greenlam Decolan SA				
-Interest Received		-	24,644	-
- trade related receivables	-	-	-	733
- non-trade loan receivable		-	-	716,455
III. Key Management Personnel	1,513,048	1,179,290	339,827	342,382

29. Contingencies & commitments

29.1 Contingent liabilities

The Group is exposed to the following outstanding commitments and contingent liabilities with financial institutions as at the Statement of Financial Position date :-

	Group & Company	
	2021	2020
	US$	US$
Letter of Credits	71,996	-

The Company has also issued an unconditional and irrevocable financial support to one of its subsidiaries namely 'Greenlam Europe UK Ltd.'

29.2 Capital commitments

Capital expenditures contracted for at the statement of financial position date but not recognized in the financial statements, are none.

30. Financial risk management

Financial risk factors

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

30.1 Market risk

(a) 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 US Dollars. As such the Company's sales and purchase transacted in identical currencies are hedged naturally.

Due to the varying tax rates in Singapore and in the countries, those that of the overseas subsidiaries, the currency risk and its sensitivity at Group level is not feasible to disclose.

The Company's currency exposure based on the information provided by key management is as follows:

Company **At 31st March 2021**	**SGD & OTHERS**	**Total**
Financial assets:	**US$**	**US$**
Cash and cash equivalents	156,326	156,326
Trade and other receivables	494,714	494,714
Total	651,040	651,040
Financial liabilities		
Trade and other payables	278,267	278,267
Lease liability	203,472	203,472
Total	481,739	481,739

Foreign currency sensitivity

If the relevant foreign currency change against USD by 10%, with all other variables including tax rate being held constant, the effects arising from the financial asset/liability position will be as follows: -

If the foreign currency *strengthens* by 10% against the functional currency of the Company, statement of comprehensive income and other equity will increase/ (decrease) by:

Company	**Financial Assets**		**Financial liabilities**	
	2021	**2020**	**2021**	**2020**
(Net of tax at 17%)	**US$**	**US$**	**US$**	**US$**
Profit / (loss)	54,036	63,058	39,984	(65,840)
other equity	-	-	-	-
	54,036	63,058	39,984	(65,840)

If the foreign currency *weakens* by 10% against the functional currency of the Company, statement of comprehensive income and other equity will increase/ (decrease) at the equal amount but opposite effect.

30. Financial risk management (cont'd)

30.1 Market risk (cont'd)

(b) Interest rate risk

The interest rate risk exposure is mainly on financial liabilities and financial assets. These financial instruments are both at fixed rate and floating rates.

Due to the varying tax rates in Singapore and in the countries, those that of the overseas subsidiaries, the interest rate risk and its sensitivity at Group Level is not feasible to disclose.

The following table analyses the breakdown of the financial assets and liabilities (excluding derivatives) by the type of interest rate:

	Financial Assets		Financial Liabilities	
Company	**2021**	**2020**	**2021**	**2020**
	US$	**US$**	**US$**	**US$**
Fixed rate	-	-	-	-
Floating rate	-	-	1,651,911	3,341,976
	-	-	1,651,911	3,341,976

Interest rate sensitivity

The sensitivity is estimated that an *increase of 100 basis point*s in interest rate at the reporting date would lead to an increase/reduction in the profit before tax by approximately: -

Company	Financial Assets		Financial liabilities	
	2021	**2020**	**2021**	**2020**
(Net of tax at 17%)	US$	US$	US$	US$
Profit / (loss)	-	-	(13,711)	(27,738)
her equity	-	-		
	-	-	(13,711)	(27,738)

If the interest rate *decreases with 100 basis points* at the reporting date, it would lead to an increase/ (decrease) at the equal amount but opposite effect.

30.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group 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 Group and 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 Group and 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 Group and 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 Group and 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 recognised in profit or loss. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and the Company.

The Group and Company's credit risk exposure in relation to trade receivables under SFRS 109 as at *31 March 2021* are set out in the provision matrix as follows:

30. Financial risk management (cont'd)

30.2 Credit risk (cont'd)

GROUP	0 - 60 days	61 - 120 days	121 - 180 days	181 days & above	TOTAL
	US$	US$	US$	US$	US$
Ageing for previous year 2020 (A)	4,317,145	531,632	8,998	-	4,857,775
Bad debts / provision during 2020 (B)	-	-	-	-	-
Credit loss % (C)=(B/A)	-	-	-	-	-
Ageing for current year 2021 (D)	4,985,633	57,860	144		5,043,637
Credit loss expected in current year {(D x C) or actual provision, whichever is higher}	-	-	-	-	-

COMPANY	0 - 60 days	61 - 120 days	121 - 180 days	181 days & above	TOTAL
	US$	US$	US$	US$	US$
Ageing for previous year 2020 (A)	2,566,680	39,904	5,547	-	2,612,131
Bad debts / provision during 2020 (B)	-	-	-	-	-
Credit loss % (C)=(B/A)	-	-	-	-	-
Ageing for current year 2021 (D)	2,366,775	3,319	144	-	2,370,238
Credit loss expected in current year {(D x C) or actual provision, whichever is higher}	-	-	-	-	-

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

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
By geographical area:	**US$**	**US$**	**US$**	**US$**
Singapore	863,747	776,739	863,747	776,739
Thailand	1,156,730	884,045	748,568	863,633
UK, Europe & Others	3,023,160	3,196,991	757,923	971,759
	5,043,637	**4,857,775**	**2,370,238**	**2,612,131**
By types of customers:				
Related parties	-	-	849,097	866,545
Non-related parties	5,043,637	4,857,775	1,521,141	1,745,586
	5,043,637	**4,857,775**	**2,370,238**	**2,612,131**

30.3 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 Group and the Company for managing liquidity risk included cash and cash equivalents (Note 10).

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

31st March 2021	Maturity	Maturity		Applicable
Financial Liabilities	< 1 year	2 - 5 years	Total	Interest Rate
Group	US$	US$	US$	Refer #
Lease liability	152,774	258,106	410,880	Note 8
Term loan	3,029,711	529,950	3,559,661	Note 17
Contract liability	-	-	-	N/a
Trade and other payables	8,227,910	-	8,227,910	N/a
Total	11,410,395	788,056	12,198,451	
Company				
Lease liability	42,789	160,683	203,472	Note 8
Term loan	1,651,911	-	1,651,911	Note 17
Contract liability	-	-	-	N/a
Trade and other payables	688,913	-	688,913	N/a
Total	2,383,613	160,683	2,544,296	

30. Financial risk management (cont'd)

30.3 Liquidity risk (cont'd)

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Group and the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group'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.

30.4 Capital risk

The Group's objectives when managing capital are to safeguard the Group'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 Group 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.

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Net debt	11,280,740	11,121,799	2,341,454	3,833,721
Total equity	2,333,033	1,941,004	3,062,690	2,839,468
Total capital	13,613,773	13,062,803	5,404,144	6,673,189
Gearing ratio	83%	85 %	43 %	57 %

The Borrowers leverage ratio is calculated as total liability of the Company divided by tangible net worth of the Company.

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Total liability	12,228,100	11,896,628	2,575,071	4,057,384
Tangible net worth	2,333,033	1,941,004	3,062,690	2,839,468
Leverage ratio (times)	5.24	6.13	0.84	1.43

30.5 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 Group 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.

31. 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 Group 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.

31. Subsequent Events and Going concern (cont'd)

(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 Group includes:

a) groupings 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 Group'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 2021, 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 Group 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 Group and Company as of the date of the issuance of these financial statements.

32. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2021 and which the Group has not early adopted:

FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
(effective for annual periods beginning on or after 1 January 2023)

FRS 16 Property, Plant and Equipment: Proceeds before Intended Use
(effective for annual periods beginning on or after 1 January 2022)

FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
(effective for annual periods beginning on or after 1 January 2022)

33. Authorization of financial statements

These consolidated financial statements of the Group and Company as at 31st March 2021 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of **Greenlam Asia Pacific Pte. Ltd**. on 19th May 2021**.**

Greenlam Asia Pacific Pte. Ltd.
(Incorporated in The Republic of Singapore)
Detailed Statement of Comprehensive Income
For the period from 1st April 2020 to 31st March 2021

Description		2021 USD		2020 USD
Revenue				
Sales	-	18,847,474	-	23,848,334
	-	**18,847,474**	-	**23,848,334**
Cost of revenue				
Purchases - Laminates		15,014,654		18,592,850
Change In Inventory	-	11,112		111,013
Freight - Recovered	-	19,376	-	18,628
Loading & Unloading Expenses		46,996		131,462
O/W Freight Expense		10,951		19,114
Godown Expenses		35,861		30,943
Exports Handling Charges		5,363		9,431
Exports Ocean Freight		3,242		4,698
Export insurance & charges		3,734		-
Air Freight		23,052		13,409
		15,113,365		**18,894,292**
Gross (Profit)/ Loss	-	**3,734,109**	-	**4,954,042**
Other Income				
Interest Receiveed	-	24,653	-	45,575
Miscellaneous Income	-	220,979	-	25,621
	-	**245,632**	-	**71,196**
	-	**3,979,741**	-	**5,025,238**
Administrative expenses				
Commission Expense		75,667		73,566
AUDITORS REMUNERATION		33,384		33,007
BANK CHARGES		62,795		82,940
EXPORTS BANK CHARGES		10,869		7,226
Consultancy Fee-HR		45,785		-
CONVEYANCE EXPENSES		25,976		51,284
CLEARING DIFFERENCE		8		17
ELECTRIC EXPENSES		12,144		17,513
GENERAL EXPENSES		-		2,353
INSURANCE EXPENSES		6,069		30,211
LEGAL & PROFESSIONAL FEE		43,848		49,228
LICENCE FEES		36		124
MEMBERSHIP FEE		680		289
OFFICE EXPENSES		13,820		20,824
POSTAGE & TELEGRAMS		21,325		25,251
PRINTING & STATIONARY		6,587		12,684
RENT PAID		44,548		-
REPAIRS & MAINTENANCE		38,496		53,112
RATES & TAXES		18,856		26,460
REBATES & CLAIMS		88,786		75,014
SECRETARIAL FEE		-		1,302
SALES PROMOTION EXPENSES		704,177		851,068
Shared services cost		-		47,728

TELEPHONE EXPENSES	25,602	33,094
TRAVELLING EXPENSES - FOREIGN	3,754	161,778
VEHICLE EXPENSES - HEAVY VEHICLES	21,536	25,129
For Curr Gain / Loss - Realized	4,969	22,148
For Curr Gain / Loss - Valuation	16,342	- 7,736
F/Curr Gain/Loss-F/W	- 23,196	13,587
	1,302,863	**1,709,201**
Directors' Remuneration		
Salaries, Bonus And Allowances	339,827	342,382
CPF - Employcr Contribution	-	-
	339,827	**342,382**
Staff Costs		
Salaries, Bonus And Allowances	1,682,206	1,948,176
CPF - Employer Contribution	117,284	117,436
Termination & Other benefits	-	-
	1,799,490	**2,065,612**
Other expenses		
Depreciaition on fixed assets	174,500	176,500
Depreciaition on ROU Assets	45,419	46,791
	219,919	**223,291**
(Profit) / Loss from Operations	**- 317,642**	**- 684,752**
Finance costs		
Bank Interest	4,723	13,827
Interest Paid	56,239	118,604
Interest On Bill Discounting	1,200	1,726
	62,162	**134,157**
(Profit) / Loss before tax	**- 255,480**	**- 550,595**
Taxation		
Taxation	29,786	111,184
	29,786	**111,184**
Deferred Tax		
Deferred Tax	**2,472**	**- 855**
	2,472	**- 855**
(Profit) / Loss after tax	**- 223,222**	**- 440,266**
Other Comprehensive Income (OCI)		
Items that may be reclassified subsequently to profit or loss:		
Impairment Loss on Subsidiary	-	201,756
Items that will not be reclassified subsequently to profit or loss:		
Fair Value Loss on Financial Assets FVOCI	-	-
	-	**201,756**
TOTAL COMPREHENSIVE (INCOME) / LOSS	**- 223,222**	**- 238,510**