VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES
(Incorporated in Singapore)

(Company Registration No.: 201008712K)

DIRECTORS' STATEMENT
AND
AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

GENERAL INFORMATION

DIRECTORS
Song Mei Cheng
Sandeep Ahuja
Karuppusamy Ramaswamy

COMPANY SECRETARY
Ang Siew Koon

REGISTERED OFFICE
237 Pandan Loop
#05-03 Westech Building
Singapore 128424

AUDITORS
EVEREST ASSURANCE PAC
7500A Beach Road
#14-302 The Plaza
Singapore 199591

BANKERS
United Overseas Bank Ltd
DBS Bank Ltd
Oversea-Chinese Banking Corporation, Ltd

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DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of VLCC Singapore Pte. Ltd. (the "Company") and its subsidiaries (the "Group") and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

2. DIRECTORS

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

Song Mei Cheng
Sandeep Ahuja
Karuppusamy Ramaswamy

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the 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.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the director of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Holdings registered in the name of the director	
Name of Director	**At the beginning of the financial year**	**At the end of the financial year**
Subsidiary - Global Vantage Innovative Group Pte. Ltd. (no. of ordinary shares)		
Song Mei Cheng	652,249	652,249

5. **SHARE OPTIONS**

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

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

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

6. **AUDITORS**

The auditors, Messrs Everest Assurance PAC, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Song Mei Cheng
Director

Sandeep Ahuja
Director

Singapore,

23 APR 2021

EVEREST

Everest Assurance PAC
Public Accountants and
Chartered Accountants
Co. Regn. No. 201610716D
(incorporated with limited liability)

Independent Auditor's Report
To the Members of VLCC Singapore Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VLCC Singapore Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2021 and the consolidated statement of profit or loss and other comprehensive income of the Group and statement of profit or loss and other comprehensive income of the Company, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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

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.

Everest Assurance PAC

Singapore
23 April 2021

EVEREST ASSURANCE PAC
Public Accountants and
Chartered Accountants

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021
(Expressed in Singapore Dollars)

	Note	Group 2021 $	Group 2020 $
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,742,659	2,940,666
Right-of-use assets	5(a)	163,102	27,516
Goodwill	6	1,418,608	1,418,608
Investment in life insurance plan	8	81,861	81,766
		4,406,230	4,468,556
Current assets			
Inventories	9	676,473	902,687
Trade and other receivables	10	614,889	592,768
Amount due from related companies	11	1,246,574	1,278,260
Prepaid operating expenses		19,169	20,224
Advance payment to suppliers		62,433	274,613
Cash and bank balances	12	703,902	675,387
		3,323,440	3,743,939
Total assets		**7,729,670**	**8,212,495**
EQUITY			
Share capital	13	5,747,482	5,747,482
Accumulated losses		(2,553,289)	(2,748,858)
Asset revaluation reserve	14	1,531,471	1,531,471
Foreign currency translation reserve		(8,334)	(7,892)
		4,717,330	4,522,203
Non-controlling interests		464,179	427,016
Total equity		5,181,509	4,949,219
LIABILITIES			
Non-current liabilities			
Term loans	15	1,477,595	1,548,864
Lease liabilities	5(b)	76,615	-
		1,554,210	1,548,864
Current liabilities			
Trade and other payables	16	456,214	787,441
Advance payment by customers		55,443	565,803
Amount due to related companies	11	67,528	63,575
Term loans	15	271,356	266,812
Lease liabilities	5(b)	89,689	28,950
Provision for income tax		53,721	1,831
		993,951	1,714,412
Total liabilities		2,548,161	3,263,276
Total equity and liabilities		**7,729,670**	**8,212,495**

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

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 March 2021
(Expressed in Singapore Dollars)

	Note	Company	
		2021	2020
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	4	-	-
Investment in subsidiaries	7	5,269,621	5,269,621
		5,269,621	5,269,621
Current assets			
Trade and other receivables	10	16,970	16,970
Amount due from related companies	11	472,961	484,785
Cash and bank balances	12	116,993	110,393
		606,924	612,148
Total assets		**5,876,545**	**5,881,769**
EQUITY			
Share capital	13	5,747,482	5,747,482
Retained earnings		123,565	130,077
Total equity		5,871,047	5,877,559
LIABILITIES			
Current liabilities			
Trade and other payables	16	5,498	4,210
Total liabilities		5,498	4,210
Total equity and liabilities		**5,876,545**	**5,881,769**

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

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	Note	Group 2021 $	Group 2020 $
Revenue	17	4,076,725	5,018,052
Other income	18	372,165	124,024
		4,448,890	5,142,076
Cost of materials consumed	9	(1,292,547)	(1,596,964)
Employee benefits	19	(1,678,576)	(2,241,015)
Administrative and general expenses	20	(653,077)	(1,153,634)
Depreciation of property, plant and equipment	4	(205,264)	(217,490)
Depreciation of right-of-use assets	5(a)	(93,647)	(94,085)
Finance costs	21	(52,543)	(47,500)
Impairment loss on financial assets	11	(187,249)	-
Profit / (loss) before tax and exceptional item		285,987	(208,612)
Exceptional item	22	-	(957,257)
Profit / (loss) before tax		285,987	(1,165,869)
Income tax expense	23	(53,337)	(21,161)
Profit / (loss) for the financial year		232,650	(1,187,030)
Other comprehensive loss:			
Exchange differences on translation of foreign subsidiaries		(360)	(3,021)
Total comprehensive income / (loss) for the financial year		**232,290**	**(1,190,051)**
Profit / (loss) attributable to:			
Owners of the Company		195,569	(1,024,144)
Non-controlling interests		37,081	(162,886)
		232,650	**(1,187,030)**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		195,127	(1,026,235)
Non-controlling interests		37,163	(163,816)
		232,290	**(1,190,051)**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	Note	Company 2021 $	Company 2020 $
Revenue		-	-
Other income	18	1,306	908
		1,306	908
Administrative and general expenses	20	(7,818)	(62,790)
Loss before tax		(6,512)	(61,882)
Income tax expense	23	-	-
Loss for the year, representing total comprehensive loss for the financial year		(6,512)	(61,882)

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

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	Attributable to Owners of the Company						
	Share capital $	Accumulated losses $	Asset revaluation reserve $	Foreign currency translation reserve $	Total $	Non-controlling interests $	Total Equity $
Group							
Balance as at 1 April 2019	5,747,480	(1,721,969)	1,531,471	(5,801)	5,551,181	591,316	6,142,497
Effect of adopting FRS 116 *Leases*	-	(2,745)	-	-	(2,745)	(484)	(3,229)
Balance as at 1 April 2019, restated	5,747,480	(1,724,714)	1,531,471	(5,801)	5,548,436	590,832	6,139,268
Total comprehensive loss for the year	-	(1,024,144)	-	(2,091)	(1,026,235)	(163,816)	(1,190,051)
Balance as at 31 March 2020	5,747,480	(2,748,858)	1,531,471	(7,892)	4,522,201	427,016	4,949,217
Total comprehensive income/(loss) for the year	-	195,569	-	(442)	195,127	37,163	232,290
Balance as at 31 March 2021	**5,747,480**	**(2,553,289)**	**1,531,471**	**(8,334)**	**4,717,328**	**464,179**	**5,181,507**

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	Share Capital $	Retained earnings $	Total Equity $
Company			
Balance as at 1 April 2019	5,747,480	191,959	5,939,439
Total comprehensive loss for the year	-	(61,882)	(61,882)
Balance as at 31 March 2020	5,747,480	130,077	5,877,557
Total comprehensive loss for the year	-	(6,512)	(6,512)
Balance as at 31 March 2021	**5,747,480**	**123,565**	**5,871,045**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	2021 $	2020 $
Cash Flows from Operating activities		
Profit / (loss) before tax	285,987	(1,165,869)
Adjustments for:		
Depreciation of property, plant and equipment	205,264	217,490
Depreciation of right-of-use assets	93,647	94,085
Gain on disposal of property, plant and equipment	-	(27,146)
Fair value change of insurance plan	(95)	(90)
Allowance for expected credit losses	187,249	-
Allowance for doubtful debts written back	-	(2,660)
Bad debts written off	13,057	1,016,051
Unclaimed payables written back	-	(5,500)
Interest on term loan	44,401	43,753
Interest expense on lease liabilities	8,142	3,747
Government grant	(268,048)	-
Rent concession	(16,812)	-
Inventories written off	2,790	-
Unrealised currency translation gain	(360)	(3,030)
Operating cash flows before movements in working capital	555,222	170,831
Movements in Working Capital		
Inventories	223,424	108,129
Trade and other receivables	232,869	175,938
Amount due from related companies	(155,563)	99,494
Prepaid operating expenses	1,055	(1,488)
Advance payment to suppliers	212,180	(205,621)
Trade and other payables	(331,227)	(157,875)
Amount due to related companies	3,953	(72,011)
Advance payment by customers	(510,360)	512,838
Cash generated from operations	231,553	630,235
Income tax paid	(1,447)	(21,743)
Net cash generated from operating activities	230,106	608,492
Cash Flows from Investing activities		
Purchase of property, plant and equipment	(7,256)	(39,013)
Proceeds from disposal of property, plant and equipment	-	27,779
Net cash used in investing activities	(7,256)	(11,234)
Cash Flows from Financing activities		
Lease payments	(83,209)	(99,627)
Proceeds from term loan	-	250,000
Repayment of term loans	(66,725)	(234,325)
Interest on term loan paid	(44,401)	(43,753)
Net cash used in financing activities	(194,335)	(127,705)
Net increase in cash and cash equivalents	28,515	469,553
Cash and cash equivalents at the beginning of financial year	675,387	205,834
Cash and cash equivalents at the end of financial year (Note 12)	703,902	675,387

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

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

1 THE GROUP AND ITS PRINCIPAL ACTIVITIES

VLCC Singapore Pte. Ltd. (the "Company") is incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at 237 Pandan Loop, #05-03 Westech Building Singapore 128424.

The principal activities of the Company are that of general wholesale trade including general importers and exporters and investment holding company.

The Company is wholly owned by VLCC International Inc, a company incorporated in British Virgin Islands. The ultimate holding company is VLCC Health Care Limited, a company incorporated in the Republic of India.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and Company are presented in Singapore Dollars (S$), which is also the functional currency of the Company. All financial information presented in Singapore Dollars has been rounded to the nearest dollar, unless otherwise indicated.

In the current financial year, the Group and Company adopted the new and revised FRSs that are applicable in the current financial year. The financial statements have been amended as required, in accordance with the relevant transitional provisions in the respective FRSs.

The adoption of the new and amended standards and interpretation has been further disclosed in Note 2.2 below.

The preparation of financial statements in conformity with FRSs requires the management to exercise their judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity are disclosed in Note 3 below.

2.2 Adoption of new and amended standards and interpretation

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards and Interpretations of FRS ('INT FRS') which are relevant to the Group and are effective for annual financial periods beginning on or after 1 April 2020.

The Group has early adopted *Amendment to FRS 116 - Covid-19 Related Rent Concessions* retrospectively from 1 April 2019. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to Covid-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of Covid-19 pandemic.

2.2 Adoption of new and amended standards and interpretation (Continued)

The Group has applied the practical expedient to all qualifying Covid-19 related to rent concessions. Rent concessions totalling S$16,812 have been accounted for as negative variable lease payments and recognised in "other income" in the consolidated statement of profit or loss for the year ended 31 March 2021, with corresponding adjustment to the lease liabilities.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023

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

2.4 Basis of consolidation and business combinations

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtain control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or accumulated profits or losses, as appropriate.

2.4 Basis of consolidation and business combinations (Continued)

b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.7 Property, plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Leasehold properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold properties at the end of the reporting period.

2.7 Property, plant and equipment (Continued)

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to accumulated profits or losses on retirement or disposal of the asset.

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

	Years
Leasehold properties	25
Plant and machinery	5
Computer and office equipment	5
Motor vehicles	10
Furniture and fittings	5
Renovation	5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Intangible assets and goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. At initial recognition, goodwill is measured as stated in Note 2.4(b).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

2.9 Subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investment in a subsidiary is stated in the statement of financial position of the Company at cost less any impairment losses. An assessment of investment in a subsidiary is performed when there is indication that the value of the investment has been impaired, or the impairment loss recognised in prior financial years no longer exist.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2.10 Impairment of non-financial assets (Continued)

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

Impairment losses are recognised in profit or loss.

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

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.12 Cash and cash equivalents

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

2.13 Financial instruments

a) Financial assets

Initial recognition and measurement

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

At initial recognition, the 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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

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

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

2.13 Financial instruments (Continued)

a) Financial assets (Continued)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss.

Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

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

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

2.14 Impairment of financial assets (Continued)

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

2.16 Leases (Continued)

a) As lessee (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office premise and office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Revenue recognition

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

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

Sales of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. No revenue is recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

Interest income

Interest income is recognised using the effective interest rate method.

2.17 Revenue recognition (Continued)

Commission income

Commission income is recognised at a point in time upon the completion of a transaction in which the commission relates to.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable are recognised 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.

2.18 Employee benefits

Defined contribution pension scheme

The Group makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.19 Exceptional item

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are materials items of income or expense that have been shown separately due to the significance of their nature or amount.

2.20 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rate and tax law used to compute the amount are those that are enacted or substantively enacted at the reporting period, in the countries where the Group operates and generates taxable income.

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

b) Deferred tax

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

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

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

2.20 Taxes (Continued)

c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.21 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Related party

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and Company if that person:

a) Has control or joint control over the Company;

b) Has significant influence over the Company; or

c) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following applies:

a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

c) Both entities are joint ventures of the same third party;

d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

f) The entity is controlled or jointly controlled by a person identified in (i) above;

g) A person identified in (i)a) above has significant influence over the entity or is a member of the key management personnel or the entity (or of a parent of the entity).

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group or Company, directly or indirectly, including any director (whether executive or otherwise) of the Group or Company.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Estimated impairment of non-financial assets

Property, plant and equipment, intangible assets and other non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The Group assesses at each reporting date whether there is an indication that the property, plant and equipment, intangible assets and other non-financial assets may be impaired. This requires an estimation of the value in use of the cash-generating units.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Provision for expected credit losses (ECLs)

At each reporting date, the management analyses the provision for the expected credit losses (ECLs). The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group recognises a loss allowance based on lifetime expected credit losses at each reporting date.

The management has established a provision policy that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors' ability to pay and the economic environment which could affect the debtors' ability to pay.

The Group evaluates the expected credit loss on customers in financial difficulties separately. The Group's credit risk exposure for trade and other receivables and amount due from related companies is set out in Note 25.

(c) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value.

(d) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their respective useful lives. Management estimates that the useful lives of these property, plant and equipment to be 5-25 years. These are common life expectancies applied in the industry.

(e) Functional currency

When determining the functional currency of the entities in the Group, the management considers factors such as the currency that influences the sales prices, the currency that influences the labour, material and other costs of providing the goods or services, the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. When the factors are mixed, the management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(f) Estimating the incremental borrowing rate

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

(Expressed in Singapore Dollars)

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties $	Plant and machinery $	Computer and office equipment $	Motor vehicles $	Furniture and fittings $	Renovation $	Total $
Valuation or Cost:							
Balance at 1 April 2019	3,703,536	606,203	292,298	168,185	156,041	494,912	5,421,175
Additions	-	-	28,013	-	11,000	-	39,013
Disposals	-	-	-	-	(633)	-	(633)
Balance at 31 March 2020	3,703,536	606,203	320,311	168,185	166,408	494,912	5,459,555
Additions	-	-	6,616	-	640	-	7,256
Balance at 31 March 2021	3,703,536	606,203	326,927	168,185	167,048	494,912	5,466,811
Accumulated Depreciation							
Balance at 1 April 2019	740,706	507,439	259,310	168,185	151,277	474,490	2,301,407
Depreciation	148,143	43,305	11,856	-	2,521	11,666	217,491
Currency alignment	-	-	(5)	-	(4)	-	(9)
Balance at 31 March 2020	888,849	550,744	271,161	168,185	153,794	486,156	2,518,889
Depreciation	148,142	28,763	16,201	-	3,402	8,756	205,264
Currency alignment	-	-	(1)	-	-	-	(1)
Balance at 31 March 2021	1,036,991	579,507	287,361	168,185	157,196	494,912	2,724,152
Carrying Amount							
Balance at 31 March 2020	2,814,687	55,459	49,150	-	12,614	8,756	2,940,666
Balance at 31 March 2021	2,666,545	26,696	39,566	-	9,852	-	2,742,659

The leasehold properties with carrying amount of S$2,666,545 (2020: S$2,814,687) is mortgaged to secure for term loans (Note 15).

(Expressed in Singapore Dollars)

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	**Furniture and fittings $**	**Total $**
Cost		
Balance at 1 April 2019	28,677	28,677
Additions	-	-
Balance at 31 March 2020	28,677	28,677
Additions	-	-
Balance at 31 March 2021	28,677	28,677
Accumulated Depreciation		
Balance at 1 April 2019	28,677	28,677
Depreciation	-	-
Balance at 31 March 2020	28,677	28,677
Depreciation	-	-
Balance at 31 March 2021	28,677	28,677
Carrying Amount		
Balance at 31 March 2020	-	-
Balance at 31 March 2021	-	-

5 LEASES

Group as a lessee

The Group has lease contracts for warehouse premises used in its operations. Leases of right of use of premises generally have lease terms between 2 and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

(a) Right-of-use assets -

Group	**Leased warehouse premises $**	**Total $**
Cost		
Balance at 1 April 2019, restated upon application of FRS 116	234,830	234,830
Additions	-	-
Balance at 31 March 2020	234,830	234,830
Additions	229,233	229,233
Expired lease	(234,831)	(234,831)
Balance at 31 March 2021	229,232	229,232
Accumulated Depreciation		
Balance at 1 April 2019, restated upon application of FRS 116	113,229	113,229
Depreciation	94,085	94,085
Balance at 31 March 2020	207,314	207,314
Depreciation	93,647	93,647
Expired lease	(234,831)	(234,831)
Balance at 31 March 2021	66,130	66,130
Carrying Amount		
Balance at 31 March 2020	27,516	27,516
Balance at 31 March 2021	163,102	163,102

(Expressed in Singapore Dollars)

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

(b) Lease liabilities -

Group	**2021**	**2020**
	$	**$**
Balance at beginning of financial year	28,950	124,830
Addition	229,233	-
Accretion of interest (Note 21)	8,142	3,747
Rent concession	(16,812)	-
Lease payments during the year	(83,209)	(99,627)
Balance at end of financial year	166,304	28,950
Represented by:		
Current liabilities	89,689	28,950
Non-current liabilities	76,615	-
	166,304	28,950

The cash outflows from leases during the financial year amounted to S$83,209 (S$99,627). The maturity analysis of lease liabilities is disclosed in Note 25.

6 GOODWILL

	Group	
	2021	**2020**
	$	**$**
At the beginning and end of the financial year	1,418,608	1,418,608

Goodwill was recognised as a result of the acquisition of investment in subsidiaries.

Goodwill impairment

The Group is required to test, on an annual basis whether goodwill has suffered any impairments. Discounted cash flows were used to assess the goodwill as at 31 March 2021 and no impairment was found. The discount rate used was 9.43% (2020: 9.43%) with growth rate of 3% (2020: 3%). Cash flow forecast was performed for 5 years with terminal values estimated thereafter at a growth rate of 2% (2020: 2%).

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(Expressed in Singapore Dollars)

7 INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	$	$
Shares at cost	5,269,621	5,269,621

a) Composition of the Group

The Group has the following investment in subsidiaries -

Name of subsidiary	Country of incorporation	Principal activities	Effective equity interest (%) held by the Company 2021	2020
Held directly by the Company				
Global Vantage Innovative Group Pte. Ltd.*	Singapore	Investment holding company	85	85
VLCC Holding (Thailand) Co. Ltd.**	Thailand	Selling and distribution of healthcare products	49.9	49.9
VLCC Wellness (Thailand) Co Ltd.**	Thailand	Selling and distribution healthcare products	49.9	49.9
Held through Global Vantage Innovative Group Pte. Ltd.				
Bellewave Cosmetics Pte. Ltd.*	Singapore	Trading in skincare product	85	85
Celblos Dermal Research Centre Pte. Ltd.*	Singapore	Production and trading in skincare product	85	85
Held through VLCC Holding (Thailand) Co Ltd.				
VLCC Wellness (Thailand) Co Ltd.**	Thailand	Selling and distribution healthcare products	25	25
Held through Celblos Dermal Research Centre Pte. Ltd.				
Excel Beauty Solution Sdn. Bhd.***	Malaysia	Dormant	85	85

*Audited by Everest Assurance PAC, Public Accountants and Chartered Accountants, Singapore
**Audited by Worrasit Srirungkijsawad, Certified Public Accountant, Thailand
***Audited by William C H Tan & Associates, Chartered Accountants, Malaysia

b) Interest in subsidiaries with material non-controlling interest (NCI)

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by NCI	Profit/(Loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
			$	$
31 March 2021				
Global Vantage Innovative Group Pte Ltd	Singapore	15%	31,707	467,502
VLCC Holding (Thailand) Co Ltd	Thailand	50.1%	(3,206)	(9,670)
VLCC Wellness (Thailand) Co Ltd	Thailand	25.1%	8,580	6,347

(Expressed in Singapore Dollars)

7 INVESTMENT IN SUBSIDIARIES (CONTINUED)

b) Interest in subsidiaries with material non-controlling interest (NCI) (Continued)

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by NCI	Profit/(Loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
			$	$
31 March 2020				
Global Vantage Innovative Group Pte Ltd	Singapore	15%	(179,468)	435,786
VLCC Holding (Thailand) Co Ltd	Thailand	50.1%	(2,637)	(6,823)
VLCC Wellness (Thailand) Co Ltd	Thailand	25.1%	19,219	(1,947)

c) Summarised financial information of subsidiaries with material NCI

Summarised financial information before intercompany elimination of subsidiaries with material non-controlling interest are as follows:

Summarised statement of financial position

	Global Vantage Innovative Group Pte Ltd		VLCC Holding (Thailand) Co Ltd	
	2021	2020	2021	2020
	$	$	$	$
Current				
Assets	3,043,819	3,467,182	145,658	171,754
Liabilities	(1,366,846)	(2,069,092)	(123,238)	(157,365)
Net current assets	1,676,973	1,398,090	22,420	14,389
Non-current				
Assets	4,406,198	4,468,406	32	150
Liabilities	(1,554,210)	(1,548,864)	-	-
Net non-current assets	2,851,988	2,919,542	32	150
Net assets	**4,528,961**	**4,317,632**	**22,452**	**14,539**

Summarised statement of profit or loss and other comprehensive income

	Global Vantage Innovative Group Pte Ltd		VLCC Holding (Thailand) Co Ltd	
	2021	2020	2021	2020
	$	$	$	$
Revenue	4,013,611	4,680,683	91,078	217,750
Profit/(Loss) before income tax	282,828	(1,177,155)	9,671	73,168
Income tax benefit/(expense)	(52,000)	(19,300)	(1,337)	(1,861)
Profit/(Loss) after tax	230,828	(1,196,455)	8,334	71,307
Other comprehensive income/(loss)	61	175	(421)	(3,196)
Total comprehensive income	230,889	(1,196,280)	7,913	68,111

Other summarised information

	Global Vantage Innovative Group Pte Ltd		VLCC Holding (Thailand) Co Ltd	
	2021	2020	2021	2020
	$	$	$	$
Net cash flows from operations	6,444	371,197	15,471	(6,661)

(Expressed in Singapore Dollars)

8 INVESTMENT IN LIFE INSURANCE PLAN

	Group	
	2021 $	2020 $
Investment in life insurance plan, at fair value	81,861	81,766

Movements in the investment in life insurance plan is as follows:

	2021 $	2020 $
Balance at beginning of financial year	81,766	81,676
Fair value change recognised in profit or loss	95	90
Balance at end of financial year	81,861	81,766

The above pertains to an investment linked keyman life insurance policy purchased by a subsidiary in respect of a director.

The fair value of the policy is based on the annual total cash surrender value of the insurance contract. The insurance contract is pledged to a bank to secure bank term loan granted to the subsidiary (Note 15).

9 INVENTORIES

	Group	
	2021 $	2020 $
Statement of financial position:		
Raw materials	326,629	408,145
Packaging materials	286,586	325,229
Finished goods	63,258	169,313
	676,473	902,687
Changes in inventories:		
<u>Raw material consumed</u>		
Opening inventories	408,145	345,512
Purchases	723,688	1,068,790
	1,131,833	1,414,302
Less: Closing inventories	(326,629)	(408,145)
	805,204	1,006,157
<u>Packaging materials consumed</u>		
Opening inventories	325,229	420,051
Purchases	375,469	408,551
	700,698	828,602
Less: Closing inventories	(286,586)	(325,229)
	414,112	503,373
<u>Movement in finished goods</u>		
Opening inventories	169,313	245,253
Less: Closing inventories	(63,258)	(169,313)
	106,055	75,940
Cost of materials consumed:		
Changes in inventories and work-in-progress	193,390	119,623
Raw material purchased	723,688	1,068,790
Packaging materials purchased	375,469	408,551
	1,292,547	1,596,964

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade receivables (Third parties)	477,745	472,042	-	-
Deposits	52,873	53,244	16,970	16,970
Government grant receivable	15,093	-	-	-
GST receivable	13,904	12,082	-	-
Staff loan	46,900	47,400	-	-
Interest receivable	6,794	5,814	-	-
Other receivables	1,580	2,186	-	-
	614,889	592,768	16,970	16,970

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

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Singapore Dollar	491,396	431,079	16,970	16,970
United States Dollar	-	677	-	-
Thai Baht	123,493	161,012	-	-
	614,889	592,768	16,970	16,970

11 AMOUNT DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Amount due from related companies	1,433,823	1,278,260	472,961	484,785
Less: Allowance for expected credit losses	(187,249)	-	-	-
	1,246,574	1,278,260	472,961	484,785
Amount due to related companies	(67,528)	(63,575)	-	-

Amount due from related companies under Group and Company include non-trade amounts of S$Nil (2020: S$Nil) and S$472,961 (2020: S$484,785) respectively. The non-trade amounts are unsecured, interest-free and repayable on demand.

Amount due from related companies and amount due to related companies are denominated in Singapore dollar and United States dollar respectively.

The movement in allowance for expected credit losses is as follows:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Balance at 1 April	-	-	-	-
Allowance for expected credit losses	187,249	-	-	-
Balance at 31 March	187,249	-	-	-

(Expressed in Singapore Dollars)

12 CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Cash on hand	4,379	6,941	1	1
Cash at banks	699,523	668,446	116,992	110,392
	703,902	675,387	116,993	110,393

Cash and bank balances are denominated in the following currencies:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Malaysian Ringgit	2,111	2,158	-	-
United States Dollar	9,466	1,730	-	-
Singapore Dollar	670,328	664,973	116,993	110,393
Thai Baht	21,997	6,526	-	-
	703,902	675,387	116,993	110,393

13 SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares	Amount	Number of shares	Amount
		$		$
Issued and fully paid:				
At beginning of the financial year	5,747,482	5,747,482	5,747,482	5,747,482
Issuance of share capital	-	-	-	-
At end of the financial year	5,747,482	5,747,482	5,747,482	5,747,482

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

14 ASSET REVALUATION RESERVE

Asset revaluation reserve represents increases in the fair value of the leasehold properties.

15 TERM LOANS

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Current liabilities	271,356	266,812	-	-
Non-current liabilities	1,477,595	1,548,864	-	-
	1,748,951	1,815,676	-	-

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Term loan 1 - UOB Bank - SGD	332,739	340,636	-	-
Term loan 2 - UOB Bank - SGD	585,805	597,463	-	-
Term loan 3 - UOB Bank - SGD	429,603	434,040	-	-
Term loan 4 - UOB Bank - SGD	135,529	163,784	-	-
Term loan 5 - UOB Bank - SGD	29,082	35,251	-	-
Term loan 6 - UOB Bank - SGD	236,193	244,502	-	-
	1,748,951	1,815,676	-	-

(Expressed in Singapore Dollars)

15 TERM LOANS (CONTINUED)

The details of the bank term loans of a subsidiary are as follows:

	Term loan	Principal sum	Interest rate	Maturity	Securities
i)	Term loan 1	633,800	2.48% fixed	August 2030	1. Personal guarantee by director. 2. Leasehold properties of the Group (Note 4). 3. Corporate guarantee by a group company - GVIG*.
ii)	Term loan 2	980,435	2.48% fixed	March 2032	1. Personal guarantee by director. 2. Leasehold properties of the Group (Note 4). 3. Corporate guarantee by a group company - GVIG*.
iii)	Term loan 3	500,000	1.75% fixed	April 2041	1. Personal guarantee by director. 2. Leasehold properties of the Group (Note 4). 3. Corporate guarantee by a group company - GVIG*.
iv)	Term loan 4	340,000	2.37% below the Bank's Commercial Financing Rate of 6.25%	May 2022	1. Personal guarantee by director. 2. Leasehold properties of the Group (Note 4). 3. Corporate guarantee by a group company - GVIG*.
v)	Term loan 5	73,000	1.00% per annum over the Bank's 3-month Cost of Funds as determined by the bank on the day of transaction	May 2022	1. Personal guarantee by director. 2. Corporate guarantee by a group company -GVIG*.
vi)	Term loan 6	250,000	2.28% fixed	October 2027	1. Personal guarantee by director. 2. Leasehold properties of the Group (Note 4). 3. Corporate guarantee by a group company - GVIG*.

*Global Vantage Innovative Group Pte. Ltd. (GVIG)

The weighted average effective interest rate of the term loan is 2.38% (2020: 2.75%) per annum.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade payables - Third parties	130,812	216,222	-	-
Accruals	257,442	347,112	5,498	4,210
GST payable	25,721	10,852	-	-
Other payables	37	109	-	-
Amount due to directors	42,202	213,146	-	-
	456,214	787,441	5,498	4,210

Amounts in trade payables are non-interest bearing. Trade payables are normally settled on average 60 days' (2020: 60 days) credit terms.

Amount due to directors are unsecured, interest-free and are repayable on demand.

(Expressed in Singapore Dollars)

16 TRADE AND OTHER PAYABLES (CONTINUED)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Singapore Dollar	374,510	639,260	5,498	4,210
New Taiwan Dollar	2,148	-	-	-
Chinese Renminbi	-	53	-	-
United State Dollar	39,659	71,527	-	-
Swiss Franc	4,279	17,368	-	-
Malaysian Ringgit	8,732	12,954	-	-
Thai Baht	26,886	46,279	-	-
	456,214	787,441	5,498	4,210

17 REVENUE

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Goods sold	4,076,725	5,018,052	-	-

Revenue represents invoiced sales of trading goods after allowance and trade discounts. All the sales are recognised at a point in time.

18 OTHER INCOME

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Government grant	268,048	86,679	-	-
Impairment allowance written back	-	2,660	-	-
Gain on disposal of property, plant and equipment	-	27,146	-	-
Unclaimed payable written back	80,078	5,500	-	-
Fair value change of insurance plan	95	90	-	-
Forfeiture of customer deposit	1,298	-	-	-
Gain on foreign exchange	-	-	1,306	908
Rent concession	16,812	-	-	-
Miscellaneous income	5,834	1,949	-	-
	372,165	124,024	1,306	908

19 EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
<u>Factory wages and benefits</u>				
Salaries	503,262	672,253	-	-
Bonus	26,365	26,565	-	-
Foreign worker levy	68,994	90,993	-	-
Contributions to Central Provident Fund	43,492	45,395	-	-
Medical fee	9,570	2,385	-	-
Other staff benefits	847	1,041	-	-
	652,530	838,632	-	-
<u>Key management personnel</u>				
Directors' salaries and bonus	331,262	494,442	-	-
Contributions to Central Provident Fund	28,721	31,131	-	-
	359,983	525,573	-	-

(Expressed in Singapore Dollars)

19 EMPLOYEE BENEFITS EXPENSE (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Staff				
Salaries	569,108	741,607	-	-
Bonus	33,830	45,900	-	-
Contributions to Central Provident Fund	50,669	72,662	-	-
Medical fee	9,744	6,908	-	-
Staff training	-	1,419	-	-
Staff welfare	714	3,602	-	-
Other staff benefit	1,998	4,712	-	-
	666,063	876,810	-	-
Total Employee Benefits Expense	1,678,576	2,241,015	-	-

20 ADMINISTRATIVE AND GENERAL EXPENSES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Audit fees	19,084	18,604	6,000	4,500
Bank charges	11,143	21,128	202	437
Boarding and lodging expenses	-	7,270	-	-
Bad debts written off	10,265	58,794	-	56,000
Consultancy charges	107,948	154,136	-	-
Conveyance expenses	4,267	7,405	-	-
Entertainment	7,574	19,736	-	-
Factory maintenance	20,605	9,639	-	-
Fees and subscription	5,802	8,709	-	-
Fines and penalties	41	571	-	-
Freight charges	108,451	236,692	-	-
Gift expenses	2,151	3,281	-	-
Insurance expenses	26,963	27,136	-	-
Internet and website expenses	233	2,622	-	-
Inventories written off	2,790	-	-	-
Lab expenses and maintenance fees	3,296	9,376	-	-
Listing and registration fees	20,958	57,481	-	-
Loss on foreign currency exchange	1,654	41,253	-	-
Materials production and consumables costs	35,586	52,402	-	-
Materials testing fees	-	140	-	-
Miscellaneous expenses	466	729	-	-
Office expenses and maintenance fees	33,810	30,578	-	-
Printing and stationery	7,306	16,986	266	293
Professional fees	16,166	17,122	400	460
Property tax	7,126	10,156	-	-
Rental of premises	7,099	9,964	-	-
Repair and maintenance fees	23,251	18,262	-	-
Sales commission	27,716	119,380	-	-
Sales promotion and marketing	80,936	64,325	-	-
Secretarial fees	2,715	3,862	700	850
Staff recruitment expenses	3,259	4,996	-	-
Tax filing fees	875	1,362	250	250
Telephone expenses	13,626	29,379	-	-
Transport and travelling expenses	1,789	33,419	-	-
Utilities charges	29,985	47,267	-	-
Vehicle running and maintenance fees	8,141	9,472	-	-
	653,077	1,153,634	7,818	62,790

(Expressed in Singapore Dollars)

21 FINANCE COSTS

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Interest on term loan	44,401	43,753	-	-
Interest expense on lease liabilities (Note 5)	8,142	3,747	-	-
	52,543	47,500	-	-

22 EXCEPTIONAL ITEM

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Bad debts written off	-	957,257	-	-

In prior year, pursuant to a compulsory winding up order by the High Court of Malaysia against a fellow subsidiary company, Wyann International (M) Sdn Bhd (the "debtor"), the debtor was wound up and the receivables from the debtor amounting to S$957,257 was fully written off as bad debts.

23 INCOME TAX EXPENSE

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Current income tax				
- Current year	53,337	1,861	-	-
- Under provision in respect of prior year	-	19,300	-	-
	53,337	21,161	-	-

Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 31 March 2020 is as follows:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Accounting profit/(loss) before tax	285,987	(1,165,869)	(6,512)	(61,882)
Tax at the statutory tax rate of 17% (2020: 17%)	48,618	(198,198)	(1,107)	(10,520)
Tax effects of:				
Non-taxable income	(18,741)	-	-	-
Non-deductible expenses	9,052	-	-	-
Tax exemptions	(17,425)	-	-	-
Tax losses	-	200,059	1,107	10,520
Deferred tax not recognised	31,833	-	-	-
Under/(over) provision in respect of prior years	-	19,300	-	-
Income tax expense/(benefit) recognised in profit or loss	**53,337**	**21,161**	**-**	**-**

The Group has unrecognised tax losses of S$791,549 (2020: S$791,549) and capital allowances of S$41,776 (2020: S$41,776) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. They have not been recognised in the financial statements due to the uncertainly of their recovery.

(Expressed in Singapore Dollars)

24 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group	
	2021	2020
Amount Due from Related Companies	$	$
In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd		-
VLCC Healthcare Ltd	437,385	349,023
VLCC International Qatar	251,792	284,118
VLCC Middle East LLC	557,397	645,119
	1,246,574	1,278,260
Amount Due to Related Companies		
In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	3,893	4,725
In Celblos Dermal Research Centre Pte Ltd books:		
VLCC Personal Care Ltd	63,635	58,850
	67,528	63,575
Purchase of Goods and Services from Related Companies		
In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	20,213	71,336
VLCC Healthcare Ltd	-	5,559
In Celblos Dermal Research Centre Pte Ltd books:		
VLCC Personal Care Ltd	4,785	41,699
	24,998	118,594
Sales of Goods and Services to Related Companies		
In Bellewave Cosmetics Pte Ltd books:		
VLCC Personal Care Ltd	-	5,405
VLCC Healthcare Ltd	208,028	334,819
VLCC Healthcare (Bangladesh)	-	21,997
VLCC International Qatar	43,955	87,679
VLCC Middle East LLC	69,145	210,137
Wyann International Sdn Bhd	-	1,867
	321,128	661,904
Bad Debts Written Off / Allowance for Expected Credit Losses from Amount Due from Related Companies		
In Bellewave Cosmetics Pte Ltd books:		
Exceptional item - Wyann International Sdn Bhd	-	578,047
Allowance for expected credit losses (Note 11)	187,249	-
In Celblos Dermal Research Centre Pte Ltd books:		
Exceptional item - Wyann International Sdn Bhd	-	379,210
In VLCC Singapore Pte Ltd books:		
VLCC International LLC	-	56,000
	187,429	1,013,257

Compensation of key management personnel

The remuneration of key management personnel in the Group are disclosed in Note 19. There are no other key management personnel in the Group other than the directors.

(Expressed in Singapore Dollars)

25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's activities expose it to credit risk, effect of changes in foreign exchange rate risk, interest rate risk and liquidity risk arising in the normal course of the Group's businesses.

Credit risk

Risk management

The carrying amount of cash and bank balances, trade receivables, amount due from related companies and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group has no significant concentration of credit risk in respect of trade receivables and surplus funds are placed with reputable banks.

The Group performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral to secure trade receivables. Limits are established and are regularly monitored in respect of single customer exposures.

Impairment of financial assets

1) Trade receivables

As at 31 March 2021, the gross amount of trade receivables from customers is S$477,745 (2020: S$472,042) (Note 10).

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data and factors specific to the debtors' ability to pay.

Receivables 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 or there is significant difficulty of the debtor or it is becoming probable that the debtor will enter bankruptcy or other financial reorganization. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables as at 31 March 2021 and 31 March 2020 are set out in the provision matrix as follows -

	Ageing				
	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	$	$	$	$	$
31 March 2021	358,348	57,367	6,782	55,248	477,745
31 March 2020	208,819	137,152	60,722	65,349	472,042

The management determines the expected loss rates for debts past due for 90 days and below is low and no loss allowances are made accordingly. Full provision has been made for debts past due more than 180 days.

2) Amount due from related companies

As at 31 March 2021, the gross amount due from related companies is S$1,433,823 (2020: S$1,278,260) (Note 11).

The Group assessed the latest performance and financial position of the related companies, adjusted for the future outlook of the industry in which the related companies operate in.

(Expressed in Singapore Dollars)

25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

2) Amount due from related companies (Continued)

As at 31 March 2021, the Group measures the loss allowance at lifetime ECL due to significant increase in credit risk since initial recognition and the gross amount due from related companies of S$1,433,823 (2020: S$1,278,260) is considered credit-impaired. Hence, impairment of S$187,249 (2020: S$Nil) on amount due from related companies was provided by the Group for the year ended 31 March 2021.

Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short- term obligations due to shortage of funds. The Group exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Group.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligation.

Group	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	$	$	$	$	$
2021					
Financial assets					
Trade and other receivables	600,985	600,985	600,985	-	-
Amount due from related companies	1,246,574	1,246,574	1,246,574	-	-
Cash and bank balances	703,902	703,902	703,902	-	-
Total undiscounted financial assets	2,551,461	2,551,461	2,551,461	-	-
Financial liabilities					
Term loans	1,748,951	1,975,577	309,114	683,820	982,643
Lease liabilities	166,304	166,304	166,304	-	-
Trade and other payables	430,493	430,493	430,493	-	-
Amount due to related companies	67,528	67,528	67,528	-	-
Total undiscounted financial liabilities	2,413,276	2,639,902	973,439	683,820	982,643
Net undiscounted financial assets/(liabilities)	**138,185**	**(88,441)**	**1,578,022**	**(683,820)**	**(982,643)**

(Expressed in Singapore Dollars)

25 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

Group	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	$	$	$	$	$
2020					
Financial assets					
Trade and other receivables	580,686	580,686	580,686	-	-
Amount due from related companies	1,278,260	1,278,260	1,278,260	-	-
Cash and bank balances	675,387	675,387	675,387	-	-
Total undiscounted financial assets	2,534,333	2,534,333	2,534,333	-	-
Financial liabilities					
Term loans	1,815,676	2,106,757	312,567	736,426	1,057,764
Lease liabilities	28,950	29,400	29,400	-	-
Trade and other payables	776,589	776,589	776,589	-	-
Amount due to related companies	63,575	63,575	63,575	-	-
Total undiscounted financial liabilities	2,684,790	2,976,321	1,182,131	736,426	1,057,764
Net undiscounted financial assets/(liabilities)	**(150,457)**	**(441,988)**	**1,352,202**	**(736,426)**	**(1,057,764)**

Foreign exchange risk

The Group has exposure to changes in foreign exchange rate risk as a result of transactions denominated in foreign currencies arising mainly from sales and purchase of goods.

Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.
The impact of changes in foreign exchange rates to profit after tax has been assessed by the Group and not expected to be significant.

Interest rate risk

The Group is exposed to interest rate risk for changes in interest rates primarily for the term loans.

The impact of changes in interest rates to profit after tax has been assessed by the Group and not expected to be significant.

26 FAIR VALUES OF FINANCIAL INSTRUMENTS

The table below represents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy -

	Group			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
As at 31 March 2021 -				
Financial assets, at Fair Value through Profit or Loss ("FVPL")	-	-	81,861	81,861
As at 31 March 2020 -				
Financial assets, at Fair Value through Profit or Loss ("FVPL")	-	-	81,766	81,766

(Expressed in Singapore Dollars)

26 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The financial assets at FVPL represents investment in life insurance plan. The fair value of the investment in life insurance plan is based on the cash value provided by the insurer without adjustment.

The carrying value less impairment provision of current trade receivables, trade payables and borrowings are approximate to their fair values due to the relatively short-term maturity of these financial instruments.

27 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of the different categories of financial instruments were as follows:

	2021 $	2020 $
Group		
Financial assets measured at amortised cost		
Trade and other receivables (Note 10)	600,985	580,686
Amount due from related companies (Note 11)	1,246,574	1,278,260
Cash and bank balances (Note 12)	703,902	675,387
Total financial assets measured at amortised cost	2,551,461	2,534,333
Financial assets measured at fair value through profit or loss (FVPL)		
Investment in life insurance plan (Note 8)	81,861	81,766
Total financial assets measured at FVPL	81,861	81,766
Financial liabilities measured at amortised cost		
Term loan (Note 15)	1,748,951	1,815,676
Lease liabilities (Note 5)	166,304	28,950
Trade and other payables (Note 16)	430,493	776,589
Amount due to related companies (Note 11)	67,528	63,575
Total financial liabilities measured at amortised cost	2,413,276	2,684,790

	2021 $	2020 $
Company		
Financial assets measured at amortised cost		
Trade and other receivables (Note 10)	16,970	16,970
Amount due from related companies (Note 11)	472,961	484,785
Cash and bank balances (Note 12)	116,993	110,393
Total financial assets measured at amortised cost	606,924	612,148
Financial liabilities measured at amortised cost		
Trade and other payables (Note 16)	5,500	4,212
Total financial liabilities measured at amortised cost	5,500	4,212

28 CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the amount due to related companies (Note 11) and issued capital (Note 13), net of accumulated losses.

29 COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's figure. As a result, certain line items have been amended on the face of the statement of financial position and the related notes to the financial statements.

30 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 23 April 2021.

THE FOLLOWING SCHEDULES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

DETAILED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	2021 $	2020 $
Revenue	4,076,725	5,018,052
Add: Other income		
Government grant	268,048	86,679
Impairment allowance written back	-	2,660
Gain on disposal of property, plant and equipment	-	27,146
Unclaimed payable written back	80,078	5,500
Forfeiture of customer deposit	1,298	-
Fair value change of insurance plan	95	90
Rent concession	16,812	-
Miscellaneous income	5,834	1,949
	372,165	124,024
	4,448,890	5,142,076
Less: Expenses		
Cost of materials consumed	(1,292,547)	(1,596,964)
Employee benefits	(1,678,576)	(2,241,015)
Administrative and general expenses	(653,077)	(1,153,634)
Depreciation of property, plant and equipment	(205,264)	(217,490)
Depreciation of right-of-use assets	(93,647)	(94,085)
Finance costs	(52,543)	(47,500)
Impairment loss on financial assets	(187,249)	-
	(4,162,903)	(5,350,688)
Profit / (loss) before tax and exceptional item	285,987	(208,612)
Less: Exceptional item	-	(957,257)
Profit / (loss) before tax	285,987	(1,165,869)
Less: Income tax expense	(53,337)	(21,161)
Profit / (loss) for the year	**232,650**	**(1,187,030)**

VLCC SINGAPORE PTE. LTD. AND ITS SUBSIDIARIES

DETAILED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 March 2021
(Expressed in Singapore Dollars)

	2021 $	2020 $
ADMINISTRATIVE AND GENERAL EXPENSES		
Audit fees	19,084	18,604
Bank charges	11,143	21,128
Boarding and lodging expenses	-	7,270
Bad debts written off	10,265	58,794
Consultancy charges	107,948	154,136
Conveyance expenses	4,267	7,405
Entertainment	7,574	19,736
Factory maintenance	20,605	9,639
Fees and subscription	5,802	8,709
Fines and penalties	41	571
Freight charges	108,451	236,692
Gift expenses	2,151	3,281
Insurance expenses	26,963	27,136
Internet and website expenses	233	2,622
Inventories written off	2,790	-
Lab expenses and maintenance fees	3,296	9,376
Listing and registration fees	20,958	57,481
Loss on foreign currency exchange	1,654	41,253
Materials production and consumables costs	35,586	52,402
Materials testing fees	-	140
Miscellaneous expenses	466	729
Office expenses and maintenance fees	33,810	30,578
Printing and stationery	7,306	16,986
Professional fees	16,166	17,122
Property tax	7,126	10,156
Rental of premises	7,099	9,964
Repair and maintenance fees	23,251	18,262
Sales commission	27,716	119,380
Sales promotion and marketing	80,936	64,325
Secretarial fees	2,715	3,862
Staff recruitment expenses	3,259	4,996
Tax filing fees	875	1,362
Telephone expenses	13,626	29,379
Transport and travelling expenses	1,789	33,419
Utilities charges	29,985	47,267
Vehicle running and maintenance fees	8,141	9,472
	653,077	**1,153,634**