

# **GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

**Company Registration No. 201413887Z**  
(Incorporated in Republic of Singapore)

**Audited Financial Statement for the year ended 31 March 2017**

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**D. Arumugam & Co.,**  
*Public Accountants and*  
*Chartered Accountants*  
Singapore

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**  
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**Audited Financial Statements for the year ended 31 March 2017**

<b>Contents</b>	<b>Page</b>
Directors' Statement	1 - 2
Independent Auditors' Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 26

# GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.

Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)

## Directors' Statement

The directors present their statement to the members together with audited financial statements of Greenply Alkema Singapore Pte Ltd (the "Company") and its subsidiary (collectively, the "Group") for the year ended **31 March 2017**.

### 1. Opinion of the directors'

#### In opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheets, 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 2017 and the financial performance, changes in equity and cash flows of the Group and the Company for the year then ended; and

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

### 2. Directors

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

Daljit Singh  
Puneeta Singh Wasan  
Rajesh Mittal  
Shobhan Mittal

### 3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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 and debentures

The directors holding office at the end of the financial year and their interests in the share capital of the Company and related company as recorded in the register of directors shareholdings kept by the Company under section 164 of the Companies Act, Cap.50 are as follows:-

Related Corporations	Name (s) in which registered – self, spouse, children, nominee, trust, investor	Holding registered in the names of director	
		At 31 March 2016	At 31 March 2017
<u>Name of the company/related corporations in which shares etc are</u>			
Greenply Industries Limited (India)	Rajesh Mittal	3,415,900	3,415,900
Greenply Industries Limited (India)	Karuna Mittal (Spouse of Rajesh Mittal)	680,000	680,000
Greenply Industries Limited (India)	Shobhan Mittal	739,000	739,000
Greenply Industries Limited (India)	Shobhan Mittal (on behalf of Trade Combines, Partnership Firm)*	13,075,330	9,275,330
Alkema Singapore Pte Ltd	Dalit Singh	595,000	595,000

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**Directors' Statement - continued**  
**For the year ended 31 March 2017**

**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**

M/s D. Arumugam & Co, Public Accountants & Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Directors



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Rajesh Mittal  
Director



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Daljit Singh  
Director

Date: 19 MAY 2017  
Singapore



**D. ARUMUGAM & CO.**  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS OF  
SINGAPORE

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF  
GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.  
Company Registration Number 201413887Z**

***Report on the Financial Statements***

We have audited the accompanying financial statements of **Greenply Alkema (Singapore) Pte. Ltd.** (the "Company"), and its subsidiary (collectively, the "Group") which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

***Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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



**D. ARUMUGAM & CO.**  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS OF  
SINGAPORE

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF  
GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.  
Company Registration Number 201413887Z**

***Opinion***

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards sp as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

***Report on Other Legal and Regulatory Requirements***

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**D. Arumugam & Co.,**  
Public Accountants and  
Chartered Accountants

Date: 19 MAY 2017  
Singapore

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)**Statement of Financial Position as at 31 March 2017**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2017 USD</b>	<b>2016 USD</b>	<b>2017 USD</b>	<b>2016 USD</b>
<b>Non-current assets</b>					
Investments	3	-	-	2,961,740	2,961,740
Goodwill	4	2,184,211	2,457,237	-	-
Intangible assets	5	31,901	37,498	-	-
Plant and equipments	6	4,130,528	4,584,133	-	-
Capital work-in-progress	6	-	241,098	-	-
		<u>6,346,640</u>	<u>7,319,966</u>	<u>2,961,740</u>	<u>2,961,740</u>
<b>Current assets</b>					
Trade and other receivables	7	3,131,140	3,908,065	1,641,179	1,925,688
Inventories	8	4,497,705	2,278,377	-	-
Goods in transit	8	250,770	122,407	250,770	122,407
Amount due from subsidiary	9	-	-	9,481,458	7,251,937
Cash and cash equivalents	10	246,682	1,031,901	195,055	888,514
		<u>8,126,297</u>	<u>7,340,750</u>	<u>11,568,462</u>	<u>10,188,546</u>
<b>Total assets</b>		<u><u>14,472,937</u></u>	<u><u>14,660,716</u></u>	<u><u>14,530,202</u></u>	<u><u>13,150,286</u></u>
<b>Equity</b>					
Share capital	11	7,500,000	7,500,000	7,500,000	7,500,000
Translation reserve		(1,261,761)	185,109	-	-
Retained earnings		1,791,920	1,123,504	2,291,988	1,864,200
		<u>8,030,159</u>	<u>8,808,613</u>	<u>9,791,988</u>	<u>9,364,200</u>
<b>Current liabilities</b>					
Trade and other payables	12	3,526,534	3,910,622	1,821,970	1,844,605
Bank borrowings	13	2,871,026	266,000	2,871,026	266,000
Unsecured loan	14	-	1,500,000	-	1,500,000
Provision for tax	15	45,218	175,481	45,218	175,481
		<u>6,442,778</u>	<u>5,852,103</u>	<u>4,738,214</u>	<u>3,786,086</u>
<b>Total equity and liabilities</b>		<u><u>14,472,937</u></u>	<u><u>14,660,716</u></u>	<u><u>14,530,202</u></u>	<u><u>13,150,286</u></u>

The notes form an integral part of and should be read in conjunction with this statement.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.****Co. Registration No.: 201413887Z**  
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The notes form an integral part of and should be read in conjunction with this statement.

**Statement of Comprehensive Income for the year ended 31 March 2017**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2017 USD</b>	<b>2016 USD</b>	<b>2017 USD</b>	<b>2016 USD</b>
Revenue		13,371,982	12,203,193	13,284,923	12,117,129
Cost of sales	16	(9,738,911)	(10,478,748)	(12,365,558)	(10,535,783)
Gross profit		<u>3,633,071</u>	<u>1,724,445</u>	<u>919,365</u>	<u>1,581,346</u>
Other income	17	12,308	497,026	-	-
Manufacturing expense	18	(986,314)	(483,663)	-	-
Sales and distribution costs	19	(994,258)	(664,962)	(97,244)	(112,338)
Depreciation and amortization		(280,795)	(132,957)	-	-
Administrative expenses	20	(414,684)	(320,478)	(93,421)	(143,050)
Finance cost	21	(260,099)	(86,422)	(260,099)	(86,422)
Profit before tax		<u>709,229</u>	<u>532,989</u>	<u>468,601</u>	<u>1,239,536</u>
Income tax	15	(40,813)	(172,672)	(40,813)	(172,672)
Profit after tax		<u>668,416</u>	<u>360,317</u>	<u>427,788</u>	<u>1,066,864</u>
Other comprehensive income		(1,446,870)	-	-	-
Total comprehensive income		<u>(778,454)</u>	<u>360,317</u>	<u>427,788</u>	<u>1,066,864</u>



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**Statement of Changes in Equity for the year ended 31 March 2017**

	<b>Group</b>			
	<b>Share Capital USD</b>	<b>Translation Reserve USD</b>	<b>Retained Earnings USD</b>	<b>Total USD</b>
Balance as at 31 March 2015	4,607,420	-	797,336	5,404,756
Total comprehensive income	-	(34,149)	360,317	326,168
Currency translation reserve	-	219,258	(34,149)	185,109
Issue of shares	2,892,580	-	-	2,892,580
Balance as of 31 March 2016	7,500,000	185,109	1,123,504	8,808,613
Total comprehensive income	-	-	668,416	668,416
Currency translation reserve	-	(1,446,870)	-	(1,446,870)
Balance as of 31 March 2017	7,500,000	(1,261,761)	1,832,888	8,030,159

	<b>Company</b>		
	<b>Share Capital USD</b>	<b>Retained Earnings USD</b>	<b>Total USD</b>
Balance as at 31 March 2015	4,607,420	797,336	5,404,756
Total comprehensive income	-	1,066,864	1,066,864
Issue of shares	2,892,580	-	2,892,580
Balance as at 31 March 2016	7,500,000	1,864,200	9,364,200
Total comprehensive income	-	427,788	427,788
Balance as of 31 March 2017	7,500,000	2,291,988	9,791,988

The notes form an integral part of and should be read in conjunction with this statement.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

Co. Registration No.: 201413887Z

(Incorporated in Republic of Singapore)

**Statement of Cash Flows for the year ended 31 March 2017**

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
<b>Cash flows from operating activities</b>				
Profit before tax	709,229	532,989	468,601	1,239,536
<i>Adjustment for:</i>				
Depreciation	279,249	132,469	-	-
Amortisation	1,546	488	-	-
Operating profit before working capital changes	990,024	665,946	468,601	1,239,536
<i>Working capital changes:</i>				
Goods in transit/Inventories	(2,347,691)	(2,400,784)	(128,363)	(122,407)
Trade and other receivables	776,925	(1,954,719)	(9,196,949)	(424,328)
Amount due from subsidiary/related party	-	2,922,777	7,251,937	(3,877,174)
Trade and other payables	(1,884,088)	3,751,239	(22,635)	1,685,222
Cash (used in)/ generated from operations	(2,464,830)	2,984,459	(1,627,409)	(1,499,151)
Income tax paid	(171,076)	(110,427)	(171,076)	(110,427)
Net cash (used in)/ generated from operating activities	(2,635,906)	2,874,032	(1,798,485)	(1,609,578)
<b>Cash flows from investing activities</b>				
Plant and equipments	(339,500)	(4,951,096)	-	-
Capital work in progress	241,098	(241,098)	-	-
Goodwill and intangibles	273,026	(2,416,522)	-	-
Investment in subsidiaries	-	-	-	(2,961,740)
Net cash generated from/ (used in) investing activities	174,624	(7,608,716)	-	(2,961,740)
<b>Cash flows from financing activities</b>				
Issue of shares	-	2,892,580	-	2,892,580
Bank borrowings	2,605,026	266,000	2,605,026	266,000
Unsecured loan	-	1,500,000	(1,500,000)	1,500,000
Net cash generated from financing activities	2,605,026	4,658,580	1,105,026	4,658,580
Net increase/ (decrease) in cash and cash equivalents	143,744	(76,104)	(693,459)	87,262
Cash and cash equivalents at beginning of the year	1,031,901	801,252	888,514	801,252
Effect of exchange rate changes on cash and cash equivalent	(928,963)	306,753	-	-
Cash and cash equivalents at end of the year	246,682	1,031,901	195,055	888,514

The notes form an integral part of and should be read in conjunction with this statement.

**Notes to the financial statements for the year ended 31 March 2017**

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

**1. General information**

The Company is domiciled and incorporated in Singapore (Company Registration Number 201413887Z). The registered office of business is located at 3 Shenton Way, #12-01A Shenton House, Singapore 068805.

The principal activities of the Company are those of planting, growing, manufacturing, producing and marketing of wood products. There have been no significant changes in the principal activities of the Company.

The directors have authorised the financial statements for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The consolidated financial statements are expressed in United States Dollars ("USD") and have been prepared under historical costs convention except as disclosed in the accounting policies below and in accordance with the Singapore Financial Reporting Standards (FRS).

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates are based on the directors' best knowledge of current events and actions and historical experience and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.9.

The accounting policies adopted are consistent with those of the previous years. In the current financial year, the company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS has no material effect on the financial statements.

**2.2 Standards issued but not yet effective**

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or after April 1, 2016. The adoption of these new/revised FRSs and INT FRSs did not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current year.

**2.3 Financial assets**

**(i) Classification**

The company classifies its financial assets according to the purpose for which the assets were acquired. The Directors determine the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The company's only financial assets are loans and receivables.

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**Notes to the financial statements for the year ended 31 March 2016**

**2. Significant accounting policies - continued**

**2.3 Financial assets - continued**

***Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables excluding prepayments are presented as "trade and other receivables", "fixed deposits" and "cash and cash equivalents" on statement of financial position.

**(ii) Recognition and de-recognition**

Regular purchases and sales of financial assets are recognized on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are derecognized when the rights to received cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognized in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to statement of comprehensive income.

**(iii) Initial measurement**

Financial assets are initially recognized at fair value plus transaction costs except for financial asset at fair value through profit or loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit and loss are recognized as expenses.

**(iv) Subsequent measurement**

Loans and receivables are carried at amortized cost using the effective interest method. Interest income on financial assets is recognized separately in statement of comprehensive income.

**(v) Impairment**

The company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets are impaired.

***Loans and Receivables***

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment loss recognized in statement of comprehensive income. The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are recognized against the same line its in statement of comprehensive income.

**2.4 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cleared deposit which are subject to insignificant risk of changes in value.

# GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.

Co. Registration No.: 201413887Z

(Incorporated in Republic of Singapore)

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## Notes to the financial statements for the year ended 31 March 2017

### 2. Significant accounting policies - continued

#### 2.5 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest bearing loans. Financial liabilities are recognized on the statement of financial position date when, and only when the company becomes a party to a contractual provision of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate.

Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under liability is discharged or cancelled and expired.

#### 2.6 Functional and foreign currencies

##### (i) Functional currency

Items included in the financial statements of each entity in the group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("the functional currency"). The financial statements of the group are presented in United States Dollars, which is also the functional currency of the group.

##### (ii) Conversion of foreign currencies

Translations in foreign currencies are measured and recorded in United States Dollars using the exchange rate in effect at the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are adjusted to reflect the rate at the statement of financial position date. All exchange adjustments are taken to the statement of comprehensive income.

#### 2.7 Income tax

Income tax for the financial year comprises current tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### 2.8 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable.

##### **Sale of goods**

Revenue is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customers which generally coincides with delivery and acceptance of the goods sold.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

**Co. Registration No.: 201413887Z**  
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**Notes to the financial statements for the year ended 31 March 2017**

**2. Significant accounting policies - continued**

**2.9 Critical judgments in applying the entity's accounting policies**

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgments (other than those involving estimates) that have significant effect on the amounts recognized in the financial statements.

**Key source of estimating uncertainty**

The key assumptions concerning the future, and other key sources of estimating uncertainty at the balance sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

***Allowance for trade and other receivables***

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgment. A considerable amount of judgment is required in, assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

***Impairment for investment in subsidiary***

Determining whether investment in subsidiary is impaired requires an estimation of the recoverable amount of the investment in subsidiary as at balance sheet date. The management has estimated the recoverable amount based on the fair value less cost to sell and is satisfied that the recoverable amounts are higher than the carrying value of the subsidiaries.

***Income tax***

The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**Notes to the financial statements for the year ended 31 March 2017**

**2. Significant accounting policies - continued**

**2.10 Related parties**

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to company if that person:
  - a) Has control or joint control over the company;
  - b) Has significant influence over the company; or
  - c) Is a member of the key management personnel of the company.
  
- (ii) An entity is related to the company if any of the following conditions applies:
  - a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member 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 are joint venture of a third party and the other entity is an associate of the third party;
  - e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
  - f) The entity is controlled or jointly controlled by a person identified in (i);
  - g) A person identified in (i) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

***Key management personnel***

Key management personnel are those persons having the authority and responsibility for planning, directly and controlling the activities of the company.

The *related party* refers to an entity with common direct or indirect shareholders and/or directors. The directors have the ability to exercise significant influence over the policies and decisions of the related parties.

**2.11 Capital**

Capital comprises ordinary share capital and retained earnings.

**2.12 Employee benefits**

***Defined contribution plan***

The Company makes contribution to the state pension scheme, Central Provident Fund ("CPF") Contributions to CPF are recognised as expense in the year in which the related service is performed.

***Employee leave entitlement***

Employees' entitlements to annual and other leave are recognised when they accrue to employees.

Employees are required to take their annual leave before end of the calendar year or face forfeiture of leave. Encashment of unutilised leave is permitted.

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**Notes to the financial statements for the year ended 31 March 2017**

**2. Significant accounting policies - continued**

**2.13 Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary company as at the balance sheet date. Consistent accounting policies are applied for like transactions and events in similar circumstances. A list of the Group's subsidiaries companies is shown in Note 3.

***Business combination***

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated below.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

***Subsidiary***

A subsidiary is defined as a company in which the investing company has a long-term equity interest of more than 50% or over whose financial and operating policy decisions the group controls. Subsidiary is consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

An investment in subsidiary is stated at cost less accumulated impairment loss (if any).

***Transactions eliminated on consolidation***

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The results of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated income statement from the effective date in which control is transferred to the Group or in which control ceases, respectively.

Where accounting policies of a subsidiary do not conform to those of the company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

***Minority interests***

Minority interests are that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority interests in a subsidiary exceed the minority interests in the equity of that subsidiary.



**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)

**Notes to the financial statements for the year ended 31 March 2017****2. Significant accounting policies - continued****2.13 Consolidation - continued*****Minority interests***

In such cases, the excess and further losses applicable to the minority interests are attributed to the equity holders of the Company, unless the minority interests have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minority interests' share of losses previously absorbed by the equity holders of the Company have been recovered.

Minority interests are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated profit and loss account.

***Goodwill***

Goodwill on consolidation arises where the purchase price exceeds the fair values attributed to net assets at the date of acquisition. Following initial recognition, goodwill is carried at cost less any accumulated amortisation and any accumulated impairment losses.

At the balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of goodwill is recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

**3. Investment in subsidiaries**

	<b>Company</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Unquoted shares, at cost	<u>2,961,740</u>	<u>2,961,740</u>

Details of the subsidiaries are as follows:-

<b>Name of subsidiary</b>	<b>Principle Activities</b>	<b>Country of Incorporation and Place of Operation</b>	<b>Effective Equity held of the Company</b>		<b>Cost of Investment</b>	
			<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
			<b>%</b>	<b>%</b>	<b>USD</b>	<b>USD</b>
Greenply Industries (Myanmar) Pvt Ltd	Manufacturing of face veneer	Myanmar	100	100	2,961,740	2,961,740

The group comprises of the Holding Company Greenply Alkema (Singapore) Pte Ltd and one subsidiary as shown above.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**  
**Co. Registration No.: 201413887Z**  
(Incorporated in Republic of Singapore)

**Notes to the financial statements for the year ended 31 March 2017**

**4. Goodwill**

Goodwill arose from the acquisition of Greenply Industries (Myanmar) Pvt. Ltd. as a 100% subsidiary under FRS 110 Consolidated financial statements.

**5. Intangible assets**

This is the carrying value of Lease hold land.

<u>2017</u>	<u>Group</u>	<b>Leasehold land USD</b>
<b>Cost</b>		
Opening balance		40,715
Closing balance		40,715
<b>Accumulated depreciation</b>		
Opening balance		3,217
Charge for the year		1,546
Adjustments (due to foreign currency translation)		4,051
Closing balance		8,814
<b>Net book value</b>		
As at 31-03-2017		31,901

<u>2016</u>	<u>Group</u>	<b>Leasehold land USD</b>
<b>Cost</b>		
Opening balance		-
Additions		38,320
Adjustments (due to foreign currency translation)		2,395
Closing balance		40,715
<b>Accumulated depreciation</b>		
Opening balance		-
Charge for the year		767
Adjustments (due to foreign currency translation)		2,450
Closing balance		3,217
<b>Net book value</b>		
As at 31-03-2016		37,498

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**  
 Co. Registration No.: 201413887Z  
 (Incorporated in Republic of Singapore)

Notes to the financial statements for the year ended 31 March 2017

**6. Plant and equipment**

<u>2017</u>	<u>Building</u> USD	<u>Plant &amp; machinery</u> USD	<u>Furniture &amp; fixtures</u> USD	<u>Group Office equipments</u> USD	<u>Computers</u> USD	<u>Motor Vehicles</u> USD	<u>Total</u> USD
<b>Cost</b>							
As at opening balance	1,340,213	3,684,627	71,487	21,018	10,614	128,264	5,256,223
Additions/acquisition	2,522	96,909	5,723	1,945	762	-	339,500
Adjustments (due to foreign currency translation)	(149,101)	(416,654)	(8,370)	(2,481)	(1,237)	(14,252)	(592,095)
As at closing balance	1,193,634	3,364,882	68,840	20,482	10,139	114,012	4,771,989
<b>Accumulated depreciation</b>							
As at opening balance	55,115	343,701	2,755	1,400	2,338	25,683	430,992
Charge for the year	38,671	217,523	3,625	2,181	2,135	15,114	279,249
Adjustments (due to foreign currency translation)	(9,017)	(54,463)	(577)	(319)	(420)	(3,984)	(68,780)
As at closing balance	84,769	506,761	5,803	3,262	4,053	36,813	641,461
<b>Net book value</b>							
As at closing balance	1,108,865	2,858,121	63,037	17,220	6,086	77,199	4,130,528

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**  
 Co. Registration No.: 201413887Z  
 (Incorporated in Republic of Singapore)

Notes to the financial statements for the year ended 31 March 2017

**6. Plant and equipment**

<u>2016</u>	Building USD	Plant & machinery USD	Furniture & fixtures USD	Group Office equipments USD	Computers USD	Motor Vehicles USD	Total USD
<b>Cost</b>							
As at opening balance	-	-	-	-	-	-	-
Additions/acquisition	1,261,974	3,470,976	67,794	19,815	10,013	135,627	4,966,199
Disposals/Write-off	-	-	-	-	-	(15,103)	(15,103)
Adjustments (due to foreign currency translation)	78,239	213,651	3,693	1,203	601	7,740	305,127
As at closing balance	<u>1,340,213</u>	<u>3,684,627</u>	<u>71,487</u>	<u>21,018</u>	<u>10,614</u>	<u>128,264</u>	<u>5,256,223</u>

**Accumulated depreciation**

As at opening balance	-	-	-	-	-	-	-
Acquired	33,532	222,181	1,013	422	1,298	19,162	277,608
Charge for the year	18,589	102,672	1,602	908	914	7,504	132,189
Disposals/Write-off	-	-	-	-	-	(2,426)	(2,426)
Adjustments (due to foreign currency translation)	2,994	18,848	140	70	126	1,443	23,621
As at closing balance	<u>55,115</u>	<u>343,701</u>	<u>2,755</u>	<u>1,400</u>	<u>2,338</u>	<u>25,683</u>	<u>430,992</u>

**Net book value**

As at closing balance	<u>1,285,098</u>	<u>3,340,926</u>	<u>68,732</u>	<u>19,618</u>	<u>8,276</u>	<u>102,581</u>	<u>4,825,231</u>
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Plant and machinery includes capital work in progress amounting to USD 241,098. This is progressive payment made towards plant and machinery. The company has not depreciated this asset as the asset is not fully acquired.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)

**Notes to the financial statements for the year ended 31 March 2017**

**7. Trade and other receivables**

	Group		Company	
	<u>2017</u> USD	<u>2016</u> USD	<u>2017</u> USD	<u>2016</u> USD
<b>Trade receivables</b>				
Third parties	1,303,753	2,140,088	1,302,869	1,437,535
Related party	124,700	276,397	124,700	276,397
	<u>1,428,453</u>	<u>2,416,485</u>	<u>1,427,569</u>	<u>1,713,932</u>
<b>Other receivables</b>				
Advance to customers	736,998	203,610	203,610	203,610
Staff advances	14,715	9,556	-	8,146
Other deposits & receivables	950,974	1,278,414	10,000	-
	<u>1,702,687</u>	<u>1,491,580</u>	<u>213,610</u>	<u>211,756</u>
	<u><u>3,131,140</u></u>	<u><u>3,908,065</u></u>	<u><u>1,641,179</u></u>	<u><u>1,925,688</u></u>

**8. Inventories**

	Group	
	<u>2017</u> USD	<u>2016</u> USD
Raw materials	3,734,315	1,137,478
Store consumable stock	138,361	196,443
Finished goods	625,029	944,456
	<u>4,497,705</u>	<u>2,278,377</u>

Goods in transit at company level consists of USD 250,770 (2016: USD. 122,407)

**9. Amount due from subsidiary**

Amount due from subsidiary is for advances paid against the delivery of goods.

**10. Cash and cash equivalent**

	Group		Company	
	<u>2017</u> USD	<u>2016</u> USD	<u>2017</u> USD	<u>2016</u> USD
Cash on hand	27,133	41,688	368	491
Cash at bank	219,549	990,213	194,687	888,023
	<u>246,682</u>	<u>1,031,901</u>	<u>195,055</u>	<u>888,514</u>

**11. Share capital**

	Group	
	<u>2017</u> USD	<u>2016</u> USD
At end of the year		
7,500,000 ordinary shares	<u>7,500,000</u>	<u>7,500,000</u>

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.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)**Notes to the financial statements for the year ended 31 March 2017****12. Trade and other payables**

	Group		Company	
	<u>2017</u> USD	<u>2016</u> USD	<u>2017</u> USD	<u>2016</u> USD
<b><i>Trade and other payables</i></b>				
Trade payables	1,653,327	1,978,896	11,870	21,389
Other payables	1,112	417	-	-
Accruals	81,166	110,626	19,199	10,873
	<u>1,735,605</u>	<u>2,089,939</u>	<u>31,069</u>	<u>32,262</u>
<b><i>Advance from customers</i></b>				
Third parties	290,929	320,683	290,901	312,343
Related parties	1,500,000	1,500,000	1,500,000	1,500,000
	<u>1,790,929</u>	<u>1,820,683</u>	<u>1,790,901</u>	<u>1,812,343</u>
	<u>3,526,534</u>	<u>3,910,622</u>	<u>1,821,970</u>	<u>1,844,605</u>

**13. Bank borrowings**

	Group		Company	
	<u>2017</u> USD	<u>2016</u> USD	<u>2017</u> USD	<u>2016</u> USD
Trade loan	2,319,887	266,000	2,319,887	266,000
Bank overdraft	551,139	-	551,139	-
	<u>2,871,026</u>	<u>266,000</u>	<u>2,871,026</u>	<u>266,000</u>

During the year company borrowed trade loan from bank which is within the banking facility of 8.0 million issued to them. The duration of this loan is 180 days. The interest rate charged is 1.70% p.a. above the cost of funds as determined by bank 2 days prior to relevant financing period or any other such rate as determined by bank.

The facility and the borrowings are secured by the following:

- (a) Standby Letter of Credit issued by bank.
- (b) Sureties/Guarantees by Greenply Industries Ltd.

**14. Unsecured loan**

The company borrowed short term loan from its related parties. The loans borrowed bear interest at 6.00 % p.a. and is repayable upon demand.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)

**Notes to the financial statements for the year ended 31 March 2017****15. Income tax**

	<b>Company</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Profit as per accounts	468,601	1,239,536
Tax at the statutory rate of 17%	79,662	210,721
Income/Expense not taxable for tax purpose	-	-
Exempt income tax	(24,460)	(23,630)
Corporate Tax rebate	(14,389)	(14,419)
	<u>40,813</u>	<u>172,672</u>
Provision for taxation - movement	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Balance brought forward	175,481	113,236
Less: Tax paid	(171,076)	(110,427)
Current year tax	40,813	172,672
	<u>45,218</u>	<u>175,481</u>

**16. Cost of sales**

	<b>Group</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Purchases	9,709,264	8,906,364
Procurement charges	4,198,239	3,431,610
Marine insurance	16,038	10,246
Freight handling	563,845	531,312
	14,487,386	12,879,532
Less: Closing stock/Goods in transit	(4,748,475)	(2,400,784)
	<u>9,738,911</u>	<u>10,478,748</u>

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)**Notes to the financial statements for the year ended 31 March 2017****17. Other income**

	<b>Group</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Other sundry income	12,308	12,460
Foreign exchange gain-unrealised	-	484,566
	<u>12,308</u>	<u>497,026</u>

**18. Manufacturing expenses**

	<b>Group</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Utilities	152,060	78,499
Repairs and maintenance	35,760	31,155
Rent - Factory	422,992	259,728
Log-yard expenses	960	12,141
Loading & unloading	21,343	6,296
Jabra removal expenses	11,462	-
Heavy vehicle expenses	3,346	33
Amortisation of deferred expenses	176,381	87,560
Job work charges	150,177	-
Security charges	11,833	8,251
	<u>986,314</u>	<u>483,663</u>

**19. Sales and distribution cost**

	<b>Group</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Salary and bonus	956,634	645,968
CPF Contribution	11,765	5,900
Staff welfare	25,763	11,584
Staff recruitment	-	1,377
SDL	96	133
	<u>994,258</u>	<u>664,962</u>



**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)**Notes to the financial statements for the year ended 31 March 2017****20. Administrative expenses**

	<b>Group</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Audit fees	21,008	16,903
Bank charges	54,314	59,251
Consular fees	2,722	2,024
Courier charges	995	465
Donation	64	-
Documentation charges	27,047	25,839
Entertainment	13,363	2,937
General expenses	1,468	3,344
Insurance	19,243	14,473
Printing and stationery	1,802	1,969
Legal and professional fees	4,040	882
License and registration fees	153	1,935
Offshore expenses	8,147	-
Subscription	-	908
Telephone charges	5,212	6,041
Travel and accommodation	129,870	124,737
Transportation charges	2,627	1,312
Rent	-	53,823
Rates and taxes	6,306	2,307
Repairs and maintenance	95	846
Foreign currency loss - unrealized	116,208	-
Tax fees	-	364
Utility charges	-	118
	<u>414,684</u>	<u>320,478</u>

**21. Finance cost**

	<b>Group</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>USD</b>	<b>USD</b>
Interest on unsecured loan	57,508	77,406
Processing fee	51,360	-
Bank interest	58,847	-
Commission on corporate guarantee	92,384	9,016
	<u>260,099</u>	<u>86,422</u>

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)

**Notes to the financial statements for the year ended 31 March 2017****22. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties on terms mutually agreed during the financial year are as follows:

	<u>2017</u>	<u>2016</u>
	USD	USD
Significant transaction with related party		
Sales to related party	1,479,093	3,604,556
Purchases from related party	<u>8,004,383</u>	<u>7,059,571</u>

**23. Financial risk management and instruments**

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates, along with credit, liquidity and cash flow risks. The Company has adopted risk management policies that seek to mitigate these risks in a cost-effective manner.

The Management reviews and agrees policies and procedures for the management of these risks.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The following table sets out the financial instruments as at the end of the reporting year:

*Categories of financial instruments*

	Group		Company	
Financial instruments at 31 March are as follows:	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	USD	USD	USD	USD
<b>Financial assets</b>				
Trade and other receivables	3,131,140	3,908,065	1,641,179	1,925,688
Amount due from subsidiary	-	-	9,481,458	7,251,937
Cash and cash equivalents	<u>246,682</u>	<u>1,031,901</u>	<u>195,055</u>	<u>888,514</u>
	<u>3,377,822</u>	<u>4,939,966</u>	<u>11,317,692</u>	<u>10,066,139</u>

	Group		Company	
Financial instruments at 31 March are as follows:	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	USD	USD	USD	USD
<b>Financial liabilities</b>				
Trade and other payables	3,526,534	3,910,622	1,821,970	1,844,605
Bank borrowings	2,871,026	266,000	2,871,026	266,000
Unsecured loan	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
	<u>6,397,560</u>	<u>5,676,622</u>	<u>4,692,996</u>	<u>3,610,605</u>

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**

Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)

**Notes to the financial statements for the year ended 31 March 2017****23. Financial risk management and instruments - continued**

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, fair value and market risk (interest rate risk and currency risk) and they are summarised below:

**a. Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management has a credit control policy in place. Credit evaluations are performed on all customers requiring credit over a certain amount. Transactions are conducted with customers with appropriate credit histories. The credit risk and amount outstanding is monitored on an ongoing basis. With this credit evaluation processes, credit control policies and collection procedures in place, the credit risk is mitigated substantially. The Company does not require collateral in respect of financial assets.

The credit risk on trade receivables are minimal as the majority of transactions are with companies, which are in sound financial position.

*The maximum exposure to credit risk is as follows:*

Financial instruments at 31 March are as follows:	Group		Company	
	<u>2017</u> USD	<u>2016</u> USD	<u>2017</u> USD	<u>2016</u> USD
<b><i>Financial assets</i></b>				
Trade and other receivables	3,131,140	3,908,065	1,641,179	1,925,688
Amount due from subsidiary	-	-	9,481,458	7,251,937
Cash and cash equivalents	246,682	1,031,901	195,055	888,514
	<u>3,377,822</u>	<u>4,939,966</u>	<u>11,317,692</u>	<u>10,066,139</u>

Cash is held with reputable financial institutions of good standing. No other financial assets carry a significant exposure to credit risk.

**b. Liquidity risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also arise from an inability of the Company to sell a financial asset quickly at close to its fair value.

The following table details the expected maturity for non – derivative and derivative assets and liabilities which are based on undiscounted inflow and outflow figures that requires settlement;

Group	1 year or less USD	2 to 5 years USD	More than 5 yrs USD	Total USD
<b><i>Non-derivative financial liabilities</i></b>				
<b>At 31 March 2017</b>				
Trade and other payables	3,526,534	-	-	3,526,534
Bank borrowings	2,871,026	-	-	2,871,026
	<u>6,397,560</u>	<u>-</u>	<u>-</u>	<u>6,397,560</u>

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**Co. Registration No.: 201413887Z  
(Incorporated in Republic of Singapore)**Notes to the financial statements for the year ended 31 March 2017****23. Financial risk management and instruments - continued**b. Liquidity risk - continued

<b>Group</b>	<b>1 year or less USD</b>	<b>2 to 5 years USD</b>	<b>More than 5 yrs USD</b>	<b>Total USD</b>
<i>Non-derivative financial liabilities</i>				
<b>At 31 March 2016</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Trade and other payables	3,910,622	-	-	3,910,622
Bank borrowings	266,000	-	-	266,000
Unsecured loan	1,500,000	-	-	1,500,000
	<u>5,676,622</u>	<u>-</u>	<u>-</u>	<u>5,676,622</u>

The Company has sufficient level of cash and cash equivalents; also, it has continued financial support from the corporate shareholder to meet its working capital requirements, if required.

c. Fair values

The carrying amount of cash and cash equivalents, trade and other current debtors and creditors, approximate their respective fair values due to the relative short term maturity of these financial instruments.

d. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company has no significant exposure to market risk for changes in interest rates because it has no borrowings from any external sources.

e. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The currencies giving rise to this foreign currency risk are primarily the SGD against the functional currency USD and the Company does not hedge these foreign currency exposures. Foreign currency received are kept in a foreign currency account and converted to USD on a need basis so as to minimise the foreign currency exposure. Since the Company's trading transactions are denominated in matching functional currency, there is a certain amount of natural hedge, thus reducing the currency risk.

**24. Events after balance sheet date**

There were no significant events that occurred subsequent to the year ended 31st March 2017 that had a material effect on the Company's financial position.

**25. Reclassification**

Certain reclassifications have been made to the prior year's financial statement to enhance comparability with current years' financial statements. An adjustment has been made to the financial Statements of statement of comprehensive income financial year ended 31 March 2016, to identify the finance cost instead of operating expenses amounting of US\$ 9,016 and now reclassified. As a result, certain line items have been amended in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flow, and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

**GREENPLY ALKEMAL (SINGAPORE) PTE. LTD.**  
**Co. Registration No.: 201413887Z**  
(Incorporated in Republic of Singapore)

<b>Detailed profit and loss for the year ended 31 March 2017</b>		
	<u>2017</u> <b>USD</b>	<u>2016</u> <b>USD</b>
<b>Sales</b>	13,284,923	12,117,129
<b>Cost of sales</b>		
Purchases	8,004,383	6,761,066
Procurement charges	4,198,239	3,431,610
Marine insurance	16,038	10,246
Freight and handling	397,668	455,268
	12,616,328	10,658,190
Less: Goods in transit	(250,770)	(122,407)
	12,365,558	10,535,783
<b>Gross profit</b>	919,365	1,581,346
<b>Sales and distribution cost</b>		
Salary and bonus	91,063	108,966
CPF contribution	3,443	1,089
Staff welfare	2,577	773
Staff recruitment	-	1,377
SDL	161	133
	(97,244)	(112,338)
<b>Administrative expenses</b>		
Audit fees	10,000	10,225
Audit fees-prior year	3,442	-
Bank charges	51,191	57,614
Consular fees	2,722	2,024
Courier charges	907	430
Entertainment	153	111
Printing and stationery	387	384
Offshore expenses	8,147	-
Legal and professional fees	1,646	607
Subscription	-	788
Telephone charges	3,619	2,282
Travel and accommodation	8,611	66,483
Repairs and maintenance	95	846
Foreign currency loss - unrealized	2,501	892
Tax fees	-	364
	(93,421)	(143,050)
<b>Finance cost</b>		
Interest on unsecured loan	57,508	(77,406)
Processing fee	51,360	-
Bank interest	58,847	-
Commission on corporate guarantee	92,384	9,016
	(260,099)	(86,422)
<b>Profit before tax</b>	468,601	1,239,536

The above statement does not form part of the audited financial statements of the Company.