

**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**  
(Company Registration No: 201831377M)

**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

**C O N T E N T S**

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**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**  
(Company Registration No: 201831377M)

**CORPORATE DATA**

Directors : Noor Sa'adiyah Binte Abdul Kalam  
Sangeeta Ketan Shah  
Sannovanda Machaiah Swathi

Secretary : Sachin Gandhi

Registered Office : 6 Raffles Quay  
#14-07  
Singapore 048580

Auditors : TT Assurance PAC

Banker : Standard Chartered Bank (Singapore) Limited

**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**  
(Company Registration No: 201831377M)

**DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of Simplex Castings International Pte Ltd (the "Company") for the financial year ended 31 March 2021.

**1. Opinion of the Directors**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as disclosed in Note 15 to the financial statements.

**2. Directors**

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

Noor Sa'adiyah Binte Abdul Kalam (Appointed on 28/12/2020)  
Sangeeta Ketan Shah  
Sannovanda Machaiah Swathi

**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 directors of the Company who held office at the beginning and end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:-

<u>Name of director</u>	Deemed Interest	
	Number of ordinary shares	
	Shares held at <u>April 01, 2020</u>	Shares held at <u>March 31, 2021</u>
Sangeeta Ketan Shah	51,020	51,020

5. **Shares Options**

There were no share options granted by the Company during the financial year.

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 as at the end of the financial year.

6. **Auditors**

The auditors, TT Assurance PAC, have indicated their willingness to accept re-appointment.

**On Behalf of The Board of Directors**



.....  
**Sangeeta Ketan Shah**  
Director

.....  
**Sannovanda Machaiah Swathi**  
Director

Singapore : **07 JUN 2021**



**Independent Auditors' Report**

For the financial year ended 31 March 2021

**To the members of SIMPLEX CASTINGS INTERNATIONAL PTE LTD**

(Company Registration No: 201831377M)

**Report on the Audit of the Financial Statements**

**Opinion**

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 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 financial performance, changes in equity and cash flows of the Company for the 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 Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 15 to the financial statements. As at 31 March 2021, the Company's current liabilities exceeded its current assets by S\$4,809. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as going concern and to realise its assets and discharge their liabilities in the ordinary course of business.

Notwithstanding the above, the Management believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2021 is appropriate, which is highly dependent on the followings:

- (i) Continued financial support from the directors and the ability of the Company to obtain the necessary and adequate funds to meet its obligation on a timely basis; and
- (ii) To provide new sources of revenue and to generate positive cash flows for the Company.

In the event the Company are unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to the financial statements to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets (if any). No such adjustments have been made to these financial statements. Our opinion is not qualified with respect to this matter.

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement and Corporate Data but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

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



## Responsibility 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

## 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 have been properly kept in accordance with the provisions of the Act.



**TT Assurance PAC**  
Public Accountants and  
Chartered Accountants  
Singapore

**07 JUN 2021**

Chartered  
Date: Accountant  
SINGAPORE

Accredited  
Training  
Organisation

37, Kallang Pudding Road, #03-01, Tong Lee Building, Blk B, Singapore 349315  
Tel: 6744 0096, 6744 0163 | Fax: 6744 0565  
Email: kentanc@singnet.com.sg | Website: www.tt-assurance.com

**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**

(Company Registration No: 201831377M)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

<b>ASSETS</b>	<b><u>Note</u></b>	<b><u>2021</u> <u>US\$</u></b>	<b><u>2020</u> <u>US\$</u></b>
<b>CURRENT ASSETS</b>			
Trade receivables	4	-	825,000
Cash & cash equivalents	5	<u>3,586</u>	<u>6,610</u>
<b>Total Assets</b>		<b><u>3,586</u></b>	<b><u>831,610</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital And Reserves</b>			
Share Capital	3	7,407	7,407
Accumulated Losses		<u>(12,216)</u>	<u>(17,567)</u>
		<u>(4,809)</u>	<u>(10,160)</u>
<b>CURRENT LIABILITIES</b>			
Trade & other payables	6	1,485	830,554
Due to a director	7	<u>6,910</u>	<u>11,216</u>
		<u>8,395</u>	<u>841,770</u>
<b>Total Equity and Liabilities</b>		<b><u>3,586</u></b>	<b><u>831,610</u></b>

The annexed notes form an integral part of and should be read  
in conjunction with these accounts.

**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**

(Company Registration No: 201831377M)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
REVENUE	8	800,000	3,133,187
<b>OTHER INCOME</b>			
Foreign exchange gain		-	1,632
Other payables written off		42,044	-
<b>TOTAL REVENUE &amp; OTHER INCOME</b>		<b>842,044</b>	<b>3,134,819</b>
<b>COSTS AND EXPENSES</b>			
Purchases		793,750	3,123,161
Other operating expenses	9	42,943	15,595
<b>TOTAL COSTS AND EXPENSES</b>		<b>836,693</b>	<b>3,138,756</b>
<b>Profit/(Loss) before Taxation</b>		<b>5,351</b>	<b>(3,937)</b>
Less: Taxation	10	-	-
<b>Profit/(Loss) after Taxation</b>		<b>5,351</b>	<b>(3,937)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>5,351</b>	<b>(3,937)</b>

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in conjunction with these accounts.



**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**  
(Company Registration No: 201831377M)

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

	<u>Share Capital US\$</u>	<u>Accumulated Losses US\$</u>	<u>Total US\$</u>
At 31 March 2019	7,407	(13,630)	(6,223)
Total comprehensive loss for the year	<u>-</u>	<u>(3,937)</u>	<u>(3,937)</u>
At 31 March 2020	7,407	(17,567)	(10,160)
Total comprehensive income for the year	<u>-</u>	<u>5,351</u>	<u>5,351</u>
At 31 March 2021	<u>7,407</u>	<u>(12,216)</u>	<u>(4,809)</u>

The annexed notes form an integral part of and should be read  
in conjunction with these accounts.

**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**

(Company Registration No: 201831377M)

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

	<b><u>Note</u></b>	<b><u>2021</u></b> <b><u>US\$</u></b>	<b><u>2020</u></b> <b><u>US\$</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit/(Loss) Before Taxation</b>		<b>5,351</b>	<b>(3,937)</b>
Adjustment for:-			
Bad debts written off		31,316	
Other payables written off		(42,044)	-
<b>Operating Loss Before Working Capital Changes</b>		<b>(5,377)</b>	<b>(3,937)</b>
<b>Changes in Working Capital:-</b>			
Trade & other receivables		793,684	1,650,013
Trade & other payables		(801,856)	(1,662,275)
<b>Net Cash Used In Operating Activities</b>		<b>(13,549)</b>	<b>(16,199)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Repayment from holding company		-	2,825
<b>Net Cash Generated From Investing Activities</b>		<b>-</b>	<b>2,825</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances from a director		10,525	11,216
<b>Net Cash Generated From Financing Activities</b>		<b>10,525</b>	<b>11,216</b>
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		<b>(3,024)</b>	<b>(2,158)</b>
Cash & cash equivalents at beginning of year		6,610	8,768
<b>Cash &amp; Cash Equivalents at End of Year</b>	<b>5</b>	<b>3,586</b>	<b>6,610</b>

The annexed notes form an integral part of and should be read in conjunction with these accounts.

# **SIMPLEX CASTINGS INTERNATIONAL PTE LTD**

(Company Registration No: 201831377M)

## **NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021**

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

### **1) Corporate Information**

The Company is a private company limited by shares, and incorporated and domiciled in Singapore with its principal place of business and registered office at 6 Raffles Quay #14-07 Singapore 048580.

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Directors on **07 JUN 2021**

The principal activities of the Company consist of the business of general wholesaler trade including general import & export. There have been no significant changes in the nature of these activities during the financial year.

The company is an immediate subsidiary of Simplex Castings Limited, a company incorporated in India, which is also its ultimate holding company.

### **2) Significant Accounting Policies**

#### **a) Basis of Preparation**

The financial statements of the Company have been drawn up in accordance with provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards ("FRS") in Singapore. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US\$), which is the Company's functional currency. All financial information presented in United States Dollars has been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year except for the adoption of new/revised FRS discussed below.

#### **Significant Accounting Estimates and Judgements**

The preparation of the financial statements in conformity with FRS requires the use of judgement, 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 revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period; or in the period of the revision and future periods, if the revision affects both the current and future periods.

#### **Key Sources of Estimation Uncertainty**

##### ***(i) Provision for Expected Credit Losses of Trade Receivables***

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or product or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns.

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In devising such a provision matrix, the Company uses its historical credit loss experience with forward looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables and contract assets. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's loan and receivables are disclosed in Note 4 to the financial statements.

No loss allowance for trade debts (2020: Nil) has been recognised during the financial year ended 31 March 2021.

Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately. Based on management assessment, there is no customer in financial difficulties during the financial year (2020: Nil).

The Company's credit risk exposure for loan receivables are set out in Note 11(ii) to the financial statements.

*(ii) Income Tax*

The Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where 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.

Judgement Made In Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

*Determination of functional currency*

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

b) Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

c) Standards Issued But Not Yet Effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 116 <i>Leases: Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109 <i>Financial Instruments</i> , FRS 39 <i>Financial Instruments: Recognition and Measurement</i> , FRS 107 <i>Financial Instruments: Disclosures</i> , FRS 104 <i>Insurance Contracts</i> , FRS 116 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021

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Amendments to FRS 16 <i>Property, Plant &amp; Equipment</i> : Proceeds before intended use	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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.

d) Income Taxes

Income tax expense comprises current and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:-

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position date; and
- (ii) based on the tax consequences that will follow from the manner in which the Company expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred tax income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

e) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

g) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer:-

Revenue from sale of goods in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods. The individual standalone selling price of a good that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The Company's revenue arising from the sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms/shipping terms are considered).

h) **Foreign Currency Transactions and Balances**

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

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

i) **Related Parties**

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control over the reporting entity;
- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- iii. both entities are joint ventures of the same third party;
- iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

- v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- vi. the entity is controlled or jointly controlled by a person identified in (a);
- vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

j) **Financial Assets**

**Classification and Measurement**

The Company classifies its financial assets as those to be measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

*Initial Recognition*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables and other current receivables (excluding GST receivables and prepayments) are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third party, if the trade and other receivables do not contain a significant financing component at initial recognition.

Financial assets measured at amortised costs are presented as "cash and cash equivalents," "trade receivables" and "other current receivables (excluding GST receivables and prepayments)" on the statement of financial position.

*Subsequent Measurement*

Debt instruments mainly comprise of cash and cash equivalents, trade receivables and other current receivables (excluding GST receivables and prepayments). Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

*Financial Assets Measured at Amortised Cost*

Assets that are held for 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. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in the statement of profit or loss.

Interest income is recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Impairment**

Loss allowances of the Company are measured on either of the following bases:

- 12-month expected credit losses ("ECLs") – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

*Simplified Approach – Trade Receivables*

The Company applies the simplified approach to provide ECLs for all trade receivables, as permitted by FRS 109, which require expected lifetime losses to be recognised from initial recognition of the receivables.

#### *Credit-Impaired Financial Assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not otherwise consider (e.g. the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

#### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### *Write-off Policy*

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### **Recognition and Derecognition**

Financial assets are recognised when, and only when the Company becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### k) **Financial Liabilities**

##### *Initial Recognition and Measurement*

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

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



#### *Subsequent Measurement*

After initial recognition, financial liabilities 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.

#### *De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### l) Financial Instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivables & payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

It is the Company's policy not to trade in derivative financial instruments. Details of the Company's financial risk management are set out in Note 11.

#### 3) **Share Capital**

	<u>2021</u>		<u>2020</u>	
	<u>Number of Shares</u>	<u>US\$</u>	<u>Number of Shares</u>	<u>US\$</u>
<u>Ordinary shares of no par value:-</u>				
Issued and fully paid	100,000	7,407	100,000	7,407

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 restriction.

#### 4) **Trade Receivables**

The carrying amounts of trade receivables are denominated in United States dollar.

Trade receivables are non-interest bearing and are generally on 15 to 45 days' terms.

The age analysis of trade receivables as at current reporting date is as follow:-

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
> 90 days overdue	-	825,000

#### 5) **Cash & Cash Equivalents**

Cash & cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:-

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Cash & bank balances	3,586	6,610

Cash & cash equivalents are denominated in the following currencies:-

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Singapore dollar	1,575	3,999
US dollar	2,011	2,611
	3,586	6,610

6) **Trade & Other Payables**

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Trade payables	-	799,934
Other payables	1,485	30,620
	<u>1,485</u>	<u>830,554</u>

Trade & other payables are denominated in the following currencies:-

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Singapore dollar	1,485	30,620
US dollar	-	799,934
	<u>1,485</u>	<u>830,554</u>

Trade payables are non-interest bearing and are normally settled on 15 to 45 days' terms.

7) **Due to a Director**

The amount due to a director for both years is unsecured, interest-free, non-trade, denominated in Singapore Dollar and repayable on demand.

8) **Revenue**

A disaggregation of the Company's revenue is as follow:-

<b>Type of Services</b>	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Sales of goods	800,000	3,133,187
<b>Timing of Revenue Recognition</b>		
Point in time	800,000	3,133,187
Over time	-	-
	<u>800,000</u>	<u>3,133,187</u>

Other than disclosed elsewhere in the financial statements, there are no unsatisfied performance obligations, deferred costs or deferred revenue from contracts with customers in 2021 and 2020.

9) **Other Operating Expenses**

Other operating expenses include the following:-

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Bad debts written off	31,316	-
Professional & legal fee	7,583	5,862

10) **Taxation**

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

	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
Loss before taxation	5,351	(3,937)
Tax at the applicable tax rate of 17%	910	(669)
Deferred tax assets not recognised/(utilised)	(910)	669
	<u>-</u>	<u>-</u>

As at current reporting date, the Company had unutilised tax losses amounting to approximately US\$11,600(2020: US\$17,000) available for setting off against its future tax income subject to compliance with the relevant section of the Income Tax Act and to the agreement of the tax authorities. The tax benefits on these unutilised tax losses are not recognised due to the uncertainty that the future taxable profits will be available against which the unutilised tax losses can be utilised.

## 11) Financial Risk Management

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The policies for managing each of these risks are summarized below.

### i) Liquidity Risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

#### *Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

<u>2021</u>	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>1 year or less</u>	<u>More than 1 year</u>
<u>Financial liabilities</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Trade & other payables	1,485	1,485	1,485	-
Due to a director	6,910	6,910	6,910	-
Total undiscounted financial liabilities	8,395	8,395	8,395	-

  

<u>2020</u>	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>1 year or less</u>	<u>More than 1 year</u>
<u>Financial liabilities</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Trade & other payables	830,554	830,554	830,554	-
Due to a director	11,216	11,216	11,216	-
Total undiscounted financial liabilities	841,770	841,770	841,770	-

### ii) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company minimises credit risk by dealing exclusively with high credit rating counterparties. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 365 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes internal credit rating, external credit rating, actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations, actual or expected significant changes in the operating results of the debtor, significant increases in credit risk on other financial instruments of the same debtor and significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

The Company determined that its financial assets are credit-impaired when there is significant difficulty of the debtor, a breach of contract, such as a default or past due event, it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation and there is a disappearance of an active market for that financial asset because of financial difficulty.

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is <365 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >365 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debt or has no realistic prospect of recovery.	Amount is written off

#### *Cash and cash equivalents*

The cash and cash equivalents are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

#### *Other receivables*

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL").

#### *Trade Receivables*

The Company uses a provision rate to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision rate based on the Company's historical credit loss experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Management has assessed that there has not been a significant increase in credit risk since initial recognition, therefore no additional allowance for impairment loss on receivables is required during the financial year ended 31 March 2021 (2020: Nil).

#### *Credit Risk Exposure and Significant Credit Risk Concentration*

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal Credit Rating	ECL	Gross Carrying Amount US\$	Loss Allowance US\$	Net Carrying Amount US\$
<b>31 Mar 2021</b>					
Trade receivables	Performing	Lifetime ECL (simplified)	-	-	-
Other current receivables (excluding GST receivables & prepayments)	Performing	12-month ECL	-	-	-



<u>31 Mar 2020</u>	<u>Internal Credit Rating</u>	<u>ECL</u>	<u>Gross Carrying Amount US\$</u>	<u>Loss Allowance US\$</u>	<u>Net Carrying Amount US\$</u>
Trade receivables	Performing	Lifetime ECL (simplified)	825,000	-	825,000
Other current receivables (excluding GST receivables & prepayments)	Performing	12-month ECL	-	-	-

iii) Foreign Currency Risk

The Company does not enter into derivative foreign exchange contracts to hedge its foreign currency risk. It is the Company's policy not to trade in derivative contracts.

The Company is primarily exposed to fluctuations in Singapore Dollars exchange rates arising from cash flows from anticipated transactions. The Company reviews periodically foreign currencies monetary assets and liabilities held in currencies other than the United States dollars to ensure that net exposure is kept at an acceptable level.

No sensivity analysis is performed as the Company is not exposed to significant foreign currency risk as at current reporting date.

iv) Fair Values

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

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

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

Cash & cash equivalents, other receivables and other payables

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

Trade receivables and trade payables  
The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

12) **Capital Management**

The board defines capital as total shareholders' equity excluding non-controlling interests.

The Company manages its capital to ensure that the Company will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital, reserves and retained earnings excluding non-controlling interests. The board reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the board considers the cost of capital and risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions, investment requirements and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to capital management during the year.

13) **Financial Instruments by Categories**

The following table summarises the carrying amount of financial assets and liabilities recorded at the reporting date by category:

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<u>Financial assets measured at amortised cost</u>		
Loans & receivables	-	825,000
Cash & cash equivalents	3,586	6,610
At end of the year	<u>3,586</u>	<u>831,610</u>
<u>Financial liabilities measured at amortised cost</u>		
Trade & other payables (including due to a director)	<u>8,395</u>	<u>841,770</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

14) **Related Party Disclosures**

During the year, in addition to related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties based on terms agreed by the parties, were as follow:-

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<u>Transactions with key management personnel</u>		
Advance from director	10,525	11,216
Advances written off	<u>14,831</u>	<u>-</u>

15) **Going Concern**

As at 31 March 2021, the Company's current liabilities exceeded its current assets by S\$4,809. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as going concern and to realise its assets and discharge their liabilities in the ordinary course of business.

Notwithstanding the above, the Management believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 March 2021 is appropriate, which is highly dependent on the followings:

- (i) Continued financial support from the directors and the ability of the Company to obtain the necessary and adequate funds to meet its obligation on a timely basis; and
- (ii) To provide new sources of revenue and to generate positive cash flows for the Company.

In the event the Company are unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to the financial statements to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets (if any). No such adjustments have been made to these financial statements.

**SIMPLEX CASTINGS INTERNATIONAL PTE LTD**  
(Company Registration No: 201831377M)

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<b>REVENUE</b>		
Sales	800,000	3,133,187
<b>Less: Cost of Sales</b>		
Purchases	(793,750)	(3,123,161)
<b>Gross Profit</b>	6,250	10,026
<b>Other Income</b>		
Foreign Exchange Gain	-	1,632
Other Payables Written Off	42,044	-
	48,294	11,658
<b>Less: Operating Expenses</b>		
Audit Fee	1,592	7,004
Bank Charges	1,082	2,729
Bad Debts Written Off	31,316	-
Foreign Exchange Loss	1,370	-
Professional & Legal Fee	7,583	5,862
	42,943	15,595
<b>Profit/(Loss) before Taxation</b>	5,351	(3,937)

**This schedule does not form Part of the Audited Statutory Accounts.**