

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)
(Incorporated in Singapore)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
31 MARCH 2021

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

I N D E X

	<u>Page</u>
Directors' statement	2 - 3
Independent auditor's report	4 - 6
Statement of profit or loss and other comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Statement of cash flows	10
Notes to financial statements	11 - 24

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the company for the year ended 31 March 2021.

1. In the opinion of the directors :
 - (a) the financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the year covered by the financial statements; 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. The directors of the company in office at the date of this statement are :-

Navin Jatia
Amit Prakash
Ching Huay Yong
Ashish Kumar Ghosh
Sanjiv Saraf
Sakhi Saraf

(Appointed on 4 February 2021)

3. 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. None of the directors holding office at the end of the financial year had, according to the register of directors' shareholdings, any interests in the share capital of the company and related companies at the beginning and end of the financial year.

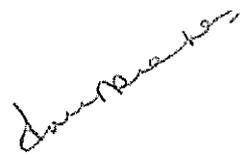
POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

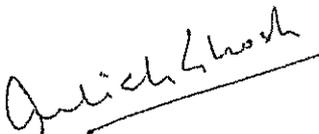
DIRECTORS' STATEMENT

5. No person has been granted option to subscribe for shares in the company.

6. The auditors, Messrs Robert Tan Partners PAC, Public Accountants and Chartered Accountants, Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board,


Amit Prakash
Director


Ashish Kumar Ghosh
Director

24 MAY 2021

Robert Tan Partners PAC

Chartered Accountants, Singapore

陳萬勝會計有限公司

61 Club Street Singapore 069436
Tel: (65) 6586 9339 Fax: (65) 6227 7205
email: ca@rtanppac.com
www.rtanppac.com
Co. Reg. No. 201525158E
Incorporated with Limited Liability

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYPLEX (ASIA) PTE. LTD. (Reg. No. : 200409516K)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **POLYPLEX (ASIA) PTE. LTD.** (the company), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 and financial performance of the company for the year covered by the financial statements.

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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 2 to 3.

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.

.....Cont'd

Robert Tan Partners PAC

Chartered Accountants, Singapore

陳萬勝會計有限公司

61 Club Street Singapore 069436
Tel: (65) 6586 9339 Fax: (65) 6227 7205
email: ca@rtanppac.com
www.rtanppac.com
Co. Reg. No. 201525158E
Incorporated with Limited Liability

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYPLEX (ASIA) PTE. LTD.

(Reg. No. : 200409516K)

(Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSSs, 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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

.....Cont'd

Robert Tan Partners PAC

Chartered Accountants, Singapore

陳萬勝會計有限公司

61 Club Street Singapore 069436
Tel: (65) 6586 9339 Fax: (65) 6227 7205
email: ca@rtanppac.com
www.rtanppac.com
Co. Reg. No. 201525158E
Incorporated with Limited Liability

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)
(Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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.


Robert Tan Partners PAC
Public Accountants and
Chartered Accountants,
Singapore

24 MAY 2021

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

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

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
Sale of goods		13,464,150	13,208,602
Purchases		(13,343,060)	(13,087,585)
Dividend income from associate		8,235,131	6,867,739
Exchange gain/(loss)		2,025	(46,563)
Interest income	3	3,543,548	4,370,780
Job support scheme		19,609	-
Depreciation		(48)	(47)
Employee benefits	4	(140,606)	(131,470)
Gain/(loss) on disposals of financial assets at FVTOCI		93,629	(44,403)
Short-term lease payments for rented premises/ rental of premises		(9,712)	(5,660)
Other operating expenses		(173,409)	(207,460)
		-----	-----
Profit before tax		11,691,257	10,923,933
Withholding tax paid on foreign dividend and interest income	5	(845,026)	(709,057)
		-----	-----
Profit for the year		10,846,231	10,214,876
		-----	-----
Other comprehensive income -			
Fair value gain/(loss) on financial assets at FVTOCI		2,792,751	(2,610,074)
Transfer of fair value adjustment reserve on disposal of financial assets at FVTOCI		657,839	11,627
		-----	-----
Other comprehensive income for the year		3,450,590	(2,598,447)
		-----	-----
Total comprehensive income for the year		14,296,821	7,616,429
		=====	=====

The attached notes to financial statements form an integral part of these financial statements.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

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

	<u>Share capital</u> US\$	<u>Fair value reserve</u> US\$	<u>Accumulated profits</u> US\$	<u>Total</u> US\$
Balance at 31 March 2019	1,130,000	60,691	155,392,079	156,582,770
Interim tax exempt (1-tier) dividends paid, US\$238.50 per share	-	-	(23,850,000)	(23,850,000)
Total comprehensive income for the year	-	(2,598,447)	10,214,876	7,616,429
Balance at 31 March 2020	1,130,000	(2,537,756)	141,756,955	140,349,199
Interim tax exempt (1-tier) dividends paid, US\$400 per share	-	-	(40,000,000)	(40,000,000)
Total comprehensive income for the year	-	3,450,590	10,846,231	14,296,821
Balance at 31 March 2021	1,130,000	912,834	112,603,186	114,646,020

The attached notes to financial statements form an integral part of these financial statements.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
ASSETS			
Non-current assets			
Computer	6	4	52
Investment in subsidiary	7	2,200,000	2,200,000
Investment in associates	8	15,398,364	15,398,364
Financial assets at FVTOCI	9	19,099,080	20,315,915
Fixed deposits	10	-	7,999,990
		-----	-----
		36,697,448	45,914,321
		-----	-----
Current assets			
Trade receivables	11	2,408,102	1,133,452
Other receivables	12	1,244,087	3,156,625
Financial assets at FVTOCI	9	7,547,750	1,000,050
Fixed deposits	10	68,267,886	83,522,364
Bank balances	13	687,587	5,651,498
		-----	-----
		80,155,412	94,463,989
		-----	-----
Total assets		116,852,860	140,378,310
		=====	=====
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	1,130,000	1,130,000
Fair value reserve		912,834	(2,537,756)
Accumulated profits		112,603,186	141,756,955
		-----	-----
		114,646,020	140,349,199
Current liabilities			
Trade payables	15	2,206,840	29,111
		-----	-----
Total equity and liabilities		116,852,860	140,378,310
		=====	=====

The attached notes to financial statements form an integral part of these financial statements.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> US\$	<u>2020</u> US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,691,257	10,923,933
Adjustments for :		
Depreciation	48	47
Dividend income	(8,235,131)	(6,867,739)
Interest income	(3,543,548)	(4,370,780)
(Gain)/loss on disposals of financial assets at FVTOCI	(93,629)	44,403
	-----	-----
Operating loss before working capital changes	(181,003)	(270,136)
Increase in trade receivables	(1,274,650)	(1,133,452)
Decrease/(increase) in deposit & prepayment, advance to suppliers and other receivables	166,105	(79,343)
Increase/(decrease) in trade payables, other payable and advance from customer	2,177,729	(3,974,089)
	-----	-----
Cash generated from/(used in) operations	888,181	(5,457,020)
Withholding tax paid	(845,026)	(709,057)
	-----	-----
<i>Net cash from/(used in) operating activities</i>	43,155	(6,166,077)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(24,283,171)	(17,156,450)
Proceeds from redemption of financial assets at FVTOCI	22,496,525	9,403,946
Decrease in fixed deposits	23,254,468	30,961,422
Interest received	5,289,981	4,866,334
Dividend received	8,235,131	6,867,739
	-----	-----
<i>Net cash from investing activities</i>	34,992,934	34,942,991
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(40,000,000)	(23,850,000)
	-----	-----
<i>Net cash used in financing activities</i>	(40,000,000)	(23,850,000)
	-----	-----
NET (DECREASE)/INCREASE IN BANK BALANCES	(4,963,911)	4,926,914
BANK BALANCES AT BEGINNING OF YEAR	5,651,498	724,584
	-----	-----
BANK BALANCES AT END OF YEAR	687,587	5,651,498
	=====	=====

The attached notes to financial statements form an integral part of these financial statements.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

1. GENERAL

The company is incorporated in Singapore and its registered office is situated at 61 Club Street, Singapore 069436. The holding company is Polyplex Corporation Ltd, incorporated in India, which is also the ultimate holding company.

The financial statements are authorised for issue by the directors on the date stated on the Directors' Statement on page 3.

The principal activities of the company are those of investment holding and trading in raw materials of polyester and other plastic film.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of accounting*

The financial statements of the company have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements of the company comply with Singapore Financial Reporting Standards (FRS). During the year, the company adopted, where applicable, the new or revised FRS and Interpretations to FRS (INT FRS) that are effective for accounting period commencing 1 April 2020. The adoption did not result in any change in accounting policies. For new FRS and INT FRS that are not yet mandatory, there is no impact on the financial statements.

(b) *Accounting estimates and judgements*

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are reviewed on an on-going basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) *Consolidation*

The company has not prepared consolidated financial statements incorporating the financial statements of the company and its subsidiary and equity accounting for the results of its associates for the year ended 31 December 2020 because the holding company, Polyplex Corporation Ltd, with registered office at Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttaranchal, India, prepares consolidated financial statements that incorporate the financial statements of all the subsidiaries and equity account for the results of all the associates in the group.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

(d) *Revenue recognition*

(1) *Sale of goods*

Revenue from sales of goods is recognised when the goods and the control thereof are transferred to the customers and is measured based on the consideration that the company expects to receive in the transactions.

(2) *Interest income*

Interest income is recognised on the time-proportioned basis using the effective interest method.

(3) *Dividend income*

Dividend income is taken up when the members' rights to receive payment are established.

(e) *Subsidiary*

A subsidiary is an entity over which the company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The company generally has such power when it directly or indirectly, hold more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investment in subsidiary is accounted for at cost less impairment loss.

(f) *Associates*

An associate is a company, not being a subsidiary, in which the company has a long term equity interest of between 20% to 50% and in whose financial and operating policies the company exercises significant influence. The financial statements of the associate are co-terminous with those of the company. Details of the associates are given in note 7 to the financial statements. See also 2(c).

The investment in associate is stated at cost less impairment loss.

(g) *Computer*

All items of computer are initially recorded at cost. The cost of an item is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Subsequent to recognition, computer are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation begins when the assets are available for use and is calculated on the straight line basis over its estimated useful life of 4 to 5 years.

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

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

POLYPLEX (ASIA) PTE. LTD.

(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

(h) *Impairment loss of investments in subsidiary and associates*

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

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment loss may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount but that increase cannot exceed the carrying amount that would have been determined had no impairment loss been recognised previously. That is, any reversal of previously recognised impairment loss cannot exceed the impairment loss recognised previously.

Impairment losses or reversal of previously recognised impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(i) *Leases*

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

As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, amortisation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

(i) *Leases (Cont'd)*
Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

(j) *Financial assets at FVTOCI*

The financial assets at fair value through other comprehensive income are investments held on a long-term basis. These investments are initially measured at fair value and subsequently, the fair value of actively traded investment in organised financial markets is determined by reference to quoted market bid prices at the end of the reporting period. Unrealised gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income. Realised gains or losses on de-recognition of the financial assets, including the cumulative gains or losses previously recognised in other comprehensive income are included in the profit or loss for the reporting period.

All purchases and sales of financial assets at FVTOCI is recognised on the trade date.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

(k) *Trade and other receivables*

Trade receivables from the provision of goods and services to customers and other receivables where the objective is to hold them in order to collect contractual cashflows relating to payments of principal and interest are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently measured at amortised cost using the effective interest method less impairment loss except that short-duration non-interest bearing receivables are not usually re-measured unless the effect of imputing interest would be significant. A specific allowance is made for uncollectible amounts when there is objective evidence that the company will not be able to collect the debt and bad debts are written off when identified.

The company recognises loss allowances of trade receivables for expected credit losses (ECL) on either 12-month ECL 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 receivable is less than 12 months) or lifetime ECL that result from all possible default events over the expected life of the receivable. The company applies the simplified approach to provide for ECL for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

For other receivables, the loss allowance is recognised based on forward looking expected credit losses. At each reporting date, the company assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has not increased significantly, loss allowance is measured at an amount equal to 12-month ECL. When credit risk has increased significantly, loss allowance is measured at an amount equal to lifetime ECL. The company considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the company's historical experience and informed credit assessment that includes forward-looking information to determine whenever the credit risk has increased significantly since initial recognition.

(l) *Trade and other payables*

Trade payables are initially recognised at invoiced values or amounts estimated to be payable and are not usually re-measured as their settlement is short-term.

Other payables refer to other borrowings and are initially recognised at amounts received and subsequently measured at amortised cost using the effective interest method, where applicable. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are discharged or cancelled or expired as well as through the amortisation process.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

(m) *Employee benefits*

Defined contribution plan

The company contributes to Central Provident Fund (“CPF”), a defined contribution plan regulated and managed by the Singapore Government. The company’s obligation in regard to CPF is limited to the amount it has to contribute to it. CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

(n) *Income tax*

Income tax for the financial year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on all significant temporary differences. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and credits can be utilised.

(o) *Foreign currencies*

The management has determined the currency that best reflects the economic substance of the underlying events and circumstances to be United States dollars (US\$) and the financial statements are presented in US\$.

Transactions in foreign currencies i.e. currencies other than US\$, are measured and recorded on initial recognition in US\$ using the exchange rates approximating those ruling at the transaction dates. At the end of each reporting period, foreign currency monetary items are reported using exchange rates approximating those ruling at the end of the reporting period. Foreign currency non-monetary items that are measured at fair value are reported using exchange rates approximating those ruling at the date when the fair value was determined.

Exchange differences arising from the settlement of monetary items or from translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income. Exchange differences arising from translating non-monetary items measured at fair value are recognised in the same manner as the fair value changes, i.e. either in profit or loss or other comprehensive income.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

3. INTEREST INCOME

	<u>2021</u> US\$	<u>2020</u> US\$
Interest income from -		
Financial assets at FVTOCI	1,567,433	1,102,124
Fixed deposits	1,976,115	3,268,656
	-----	-----
	<u>3,543,548</u>	<u>4,370,780</u>

4. EMPLOYEE BENEFITS

	<u>2021</u> US\$	<u>2020</u> US\$
Staff -		
Salaries & bonus	124,894	117,070
CPF	15,712	14,400
	-----	-----
	<u>140,606</u>	<u>131,470</u>

The directors are the key management personnel of the company.

5. INCOME TAX EXPENSE

The following is a reconciliation of tax expense and the product of accounting profit multiplied by the applicable corporate tax rate :-

	<u>2021</u> US\$	<u>2020</u> US\$
Accounting profit	11,691,257	10,923,933
	-----	-----
Income tax at applicable tax rate of 17%	1,988,000	1,857,000
Tax effect of non-deductible expenses	14,000	8,000
Tax effect of non-taxable credits	(2,022,000)	(1,911,000)
Changes in deferred tax asset not recognised	20,000	46,000
	-----	-----
Tax expense for the year	<u>-</u>	<u>-</u>

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

5. INCOME TAX EXPENSE (*Cont'd*)

Deferred tax asset in respect of the following temporary differences has not been recognised as there is no reasonable certainty of its recovery in future periods. The utilisation of tax losses and capital allowances is subject to the compliance of certain provisions of the Income Tax Act.

	<u>2021</u>	<u>2020</u> (as restated)	<u>2020</u> (as previously reported)
	US\$	US\$	US\$
Estimated unused tax losses	2,525,000	2,408,000	3,168,000
Estimated unabsorbed capital allowances	5,000	5,000	7,000
	-----	-----	-----
	<u>2,530,000</u>	<u>2,413,000</u>	<u>3,175,000</u>
Deferred tax asset not recognised, at applicable corporate tax rate of 17%	430,000	410,000	540,000
	-----	-----	-----

The 2020 comparatives have been restated to reflect tax computation submitted to the Comptroller.

6. COMPUTER

	US\$
<i>Cost</i>	
At 31.3.2019, 2020 & 2021	1,181

<i>Accumulated depreciation</i>	
At 31.3.2019	1,082
Depreciation charge for the year	47

At 31.3.2020	1,129
Depreciation charge for the year	48

At 31.3.2021	1,177

<i>Net carrying amount</i>	
At 31.3.2021	4
	=====
At 31.3.2020	52
	=====

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

7. INVESTMENT IN SUBSIDIARY

	<u>2021</u> US\$	<u>2020</u> US\$
Unquoted shares at cost	2,200,000	2,200,000
	=====	=====

Details of the subsidiary are as follows :-

<u>Name of subsidiary</u>	<u>Percentage of equity interest 2021 & 2020</u> %	<u>Country of incorporation & operations</u>	<u>Principal activities</u>
PAR, LLC	100	United States of America	Holding of real property used by Polyplex Group of Companies

8. INVESTMENT IN ASSOCIATES

	<u>2021</u> US\$	<u>2020</u> US\$
Quoted shares at cost	15,398,364	15,398,364
	=====	=====
Market value of quoted shares	223,538,168	86,510,202
	=====	=====

Details of the associates are as follows :-

<u>Name of associates</u>	<u>Percentage of effective equity interest 2021</u> %	<u>2020</u> %	<u>Country of incorporation & operations</u>	<u>Principal activities</u>
(i) Polyplex (Thailand) Public Company Limited (PTL)	33.81	33.81	Thailand	Manufacture polyester film, chips, extrusion coated film and cast polypropylene film and silicon coated film
(ii) Polyplex (Singapore) Pte. Ltd. [wholly owned by (i)]	33.81	33.81	Singapore	Investment holding

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

8. INVESTMENT IN ASSOCIATES (Cont'd)

<u>Name of associates</u>	<u>Percentage of effective equity interest</u>		<u>Country of incorporation & operations</u>	<u>Principal activities</u>
	<u>2021</u> %	<u>2020</u> %		
(iii) Polyplex America Holdings Inc. [wholly owned by (i)]	33.81	33.81	United States of America	Investment holding
(iv) Polyplex Europe B.V. [wholly owned by (i)]	33.81	33.81	Netherlands	Distribution of plastic film
(v) Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi [wholly owned by (ii)]	33.81	33.81	Turkey	Manufacture and distribution of polyester film and chips
(iv) Polyplex (Trading) Shenzhen Co. Ltd [wholly owned by (ii)]	33.81	33.81	The People's Republic of China	Distribution of plastic film
(vii) Polyplex USA LLC Co. Ltd [wholly owned by (iii)]	33.81	33.81	United States of America	Manufacture and distribution of polyester film and chips
(viii) Polyplex Peketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi [wholly owned by (v)]	33.81	33.81	Turkey	Distribution of plastic film
(ix) EcoBlue Limited [66.5% owned by (i)]	22.5	22.5	Thailand	Manufacture and distribution of recycled plastic products
(x) PT Polyplex Films Indonesia [99.99% owned by (i)]	33.81	33.81	Republic of Indonesia	Manufacture and distribution of polyester film and chips

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

9. FINANCIAL ASSETS AT FVTOCI

	<u>2021</u> US\$	<u>2020</u> US\$
Listed bonds -		
Balance carried forward	21,315,965	16,206,311
Additions	24,283,171	17,156,449
Disposals	(21,745,057)	(9,436,721)
Fair value gain/(loss) recognised in other comprehensive income	2,792,751	(2,610,074)
	26,646,830	21,315,965
	26,646,830	21,315,965

The bonds are measured at fair value on a recurring basis after initial recognition. The fair value measurement of the investment is based on quoted price (unadjusted) in active market for identical asset (Level 1 inputs).

10. FIXED DEPOSITS

	<u>2021</u> US\$	<u>2020</u> US\$
Current	68,267,886	83,522,364
Non-current	-	7,999,990
	68,267,886	91,522,354
	68,267,886	91,522,354

The fixed deposits are placed for periods of between 1 month and 24 months (2020 : between 1 week and 24 months) and earn interest of between 0.25 to 3.20% (2020 : 0.29 to 3.75%) p.a.

11. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 45 days' term.

12. OTHER RECEIVABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Sundry deposits & prepayments	29,961	28,874
Interest receivables	1,212,790	2,959,223
Advance to suppliers	-	168,000
Others	1,336	528
	1,244,087	3,156,625
	1,244,087	3,156,625

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

13. BANK BALANCES

The following bank balances are denominated in foreign currencies :-

	<u>2021</u>	<u>2020</u>
	US\$	US\$
<i>Denominated in :</i>		
S\$	36,562	68,679
€	565	532
	<u>=====</u>	<u>=====</u>

14. SHARE CAPITAL

	<u>2021</u>	<u>2020</u>
Number of shares issued	100,000	100,000
	<u>=====</u>	<u>=====</u>
Paid up capital	US\$1,130,000	US\$1,130,000
	<u>=====</u>	<u>=====</u>

The shares are fully paid, of no par value and carry no right to fixed income.

15. TRADE PAYABLES

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Trade creditors	2,187,128	-
Accrued expense	19,712	29,111
	<u>-----</u>	<u>-----</u>
	2,206,840	29,111
	<u>=====</u>	<u>=====</u>

Trade creditors are non-interest bearing and are generally on 30 days' term. Accrued expenses include US\$13,283 (2020 : US\$9,111) denominated in S\$. Previous year's accrued expenses included US\$20,000 payable to a firm in which a director of the holding company has controlling interest and professional fee charged by the firm amounted to US\$50,000 in the previous year.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

16. FINANCIAL RISKS AND MANAGEMENT

(i) *Interest rate risk*

The company's exposure to interest rate risk relates primarily to interest on fixed deposits as disclosed in note 10 to the financial statements. The directors monitor the market interest rates and ensure the company obtains the best available rates.

Sensitivity analysis for interest rate risk

As interest rates on fixed deposits and interest income from fixed deposits were not material, any reasonable possible change in the interest rates, with all other variables held constant, would not have any significant impact on the company's results.

(ii) *Credit risk*

Trade receivables

The company has significant concentration of credit risk as it deals with one customer. There are procedures in place to ensure on-going credit evaluation and active account monitoring to minimise bad debt risk.

The company's credit risk exposure in relation to trade receivables at the end of the reporting period are set out in the following provision matrix :-

		<u>Current</u>	<u>Within 30 days</u>	<u>31 to 90 days</u>	<u>Total</u>
Trade receivables	US\$	2,408,102	-	-	2,408,102
Expected loss rate		0.1%	0.2%	0.3%	
Loss allowance	US\$	2,408	-	-	2,408
		=====	=====	=====	=====

The loss allowance at 31 March 2020 based on the same provision matrix was US\$1,133.

As the computed loss allowance was not material, no adjustment has been made to recognise the loss allowance.

Financial assets, at FVTOCI

As disclosed in note 9, financial assets at FVTOCI comprise quoted bonds. These are considered "low credit risk" as listed notes are of investment grade credit rating with at least one major rating agency.

The following table present an analysis of the credit quality of debt investments at FVTOCI with reference to external credit ratings determined by credit rating agencies such as Standard & Poor, Moody's and Fitch, as to determine the appropriate expected credit loss rate.

External credit ratings		<u>BB & above</u>	<u>BB- & below</u>	<u>Total</u>
Financial assets at FVTOCI	US\$	21,410,280	5,236,550	26,646,830
Expected loss rate		0.01%	0.98%	
Loss allowance	US\$	2,141	51,318	53,459
		=====	=====	=====

The loss allowance at 31 March 2020 based on the same provision matrix was US\$2,132.

As the amount of the computed loss allowance is not material, no adjustment has been made to recognise the loss allowance.

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2021

16. FINANCIAL RISKS AND MANAGEMENT (*Cont'd*)

(iii) *Market risk*

The company's exposure to market risk relates to its investment in quoted bonds as disclosed in note 9 in the financial statements. The company manages the exposure by cautious review of the investments before investing and continuous monitoring of their performance and risk profiles.

Sensitivity analysis for market risk

At the end of the reporting period, if the prices of listed bonds had strengthened/weakened by 1% with all other variables held constant, the company's other comprehensive income would have increased/decreased by approximately US\$266,000 (2020 : US\$213,000).

(iv) *Foreign exchange risk*

The company has exposure to foreign exchange risk from transactions denominated in foreign currencies. The company does not enter into foreign exchange contracts for hedging and speculative purposes but reviews periodically to ensure that its net exposure is kept at an acceptable level.

Sensitivity analysis for foreign exchange risk

At the end of the reporting period, the company's net exposures to S\$ and € are immaterial. Any reasonable possible change in their exchange rate against US\$, with all other variables held constant, will not have any significant impact on the company's results.

(iv) *Liquidity risk*

The company monitors and maintains sufficient working capital to fund its operations.

17. CAPITAL MANAGEMENT

The company is not subject to any externally imposed capital requirements.

The primary objectives of the company's capital management are to ensure that it maintains an optimal capital structure to support its business and maximise member value. The company manages its capital structure, represented by its members' equity, and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the company may adjust the dividend payment to member, return capital to member or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 31 March 2020.

**THE FOLLOWING SCHEDULE DOES NOT FORM
PART OF THE AUDITED STATUTORY FINANCIAL STATEMENTS**

POLYPLEX (ASIA) PTE. LTD.
(Reg. No. : 200409516K)

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

	<u>2021</u> US\$	<u>2020</u> US\$
Sales	13,464,150	13,208,602
Less : Cost of sales		
Purchases	(13,343,060)	(13,087,585)
	-----	-----
Gross profit	121,090	121,017
Add : Dividend income	8,235,131	6,867,739
Interest income	3,543,548	4,370,780
Gain on redemption of financial assets at FVTOCI	93,629	-
Exchange gain	2,025	-
Job support scheme	19,609	-
	-----	-----
	12,015,032	11,359,536
	-----	-----
Less : Expenses		
Audit & tax fees	15,551	15,442
Bank charges	4,667	7,366
CPF & SDF	15,712	14,400
Depreciation	48	47
Exchange loss	-	46,563
General expenses	354	1,868
Insurance	22,508	-
Loss on redemption of financial assets at FVTOCI	-	44,403
Management fee	35,343	13,325
Medical fee	916	1,707
Penalty	-	(15)
Postage & courier	103	17
Printing & stationery	1,025	1,039
Professional fees	75,934	125,208
Rental of premises	9,712	5,660
Salaries & bonus	124,894	117,070
Subscriptions	286	-
Telephone	1,438	1,724
Transport	15,162	14,901
Travelling	122	24,878
	-----	-----
	323,775	435,603
	-----	-----
Profit before tax	11,691,257	10,923,933
	=====	=====

This schedule does not form part of the audited financial statements.