Company Registration No.: 200301505M

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

CONTENTS

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

GENERAL INFORMATION

Directors

Chua Gim Siong (Chairman, Managing Director)	(Resigned on 31 March 2025)
Chua Yueh Siang (Cai Yuxiang)	(Revocated as alternative director on 31 March 2025 & appointed as director on 1 April 2025)
Lee Teck Heok	(Resigned on 31 March 2025)
Piush Lohia	(Appointed on 2 January 2025)
Shiv Raj Kapur	(Resigned on 31 March 2025)
Shivendra Nath Agarwal	(Appointed on 2 January 2025)

Company Secretaries

Cheng Lian Siang	(Resigned on 15 May 2024)
Pathima Muneera Azmi	(Resigned on 1 October 2024)
Tan Hui Wen	(Appointed on 15 May 2024)
Tan Sihui (Chen Sihui)	(Appointed on 1 October 2024)

Registered Office

2 Kallang Avenue
#09-23, CT Hub
Singapore 339407

Independent Auditor

JBS Practice PAC

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of SINGARDO INTERNATIONAL PTE. LTD. (the "Company") for the financial year ended 31 March 2025.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the Company, together with the notes thereto, are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of its financial performance, changes in equity and cash flows for the financial year then ended; and

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

DIRECTORS

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

Chua Yueh Siang	(Revocated as alternative director on 31 March 2025 & appointed as director on 1 April 2025)
Piush Lohia	(Appointed on 2 January 2025)
Shivendra Nath Agarwal	(Appointed on 2 January 2025)

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 or debentures of the Company or any other body corporate.

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT (...CONT'D)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, none of the directors holding office at the end of the financial year had any significant interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of directors	
	At 01.04.2024	At 31.03.2025
Ordinary shares of the Company		
Chua Gim Siong	400,000	-
Chua Yueh Siang (alternate director to Chua Gim Siong)	200,000	-

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITOR

The independent auditor, Messrs JBS Practice PAC, has expressed its willingness to accept re-appointment.

On behalf of the board of directors

Chua Yueh Siang
Director

Piush Lohia
Director

22 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGARDO INTERNATIONAL PTE. LTD.

(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SINGARDO INTERNATIONAL PTE. LTD. (the "Company") as set out on pages 8 to 48, which comprise the statement of financial position of the Company as at 31 March 2025, 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2025 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.

Other Information

Management is responsible for the other information. The other information comprises the General Information set out on page 1 and 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.

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Company Registration No.: 201409251H

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGARDO INTERNATIONAL PTE. LTD. (...CONT'D)

(Incorporated in Singapore)

Report on the Audit of the Financial Statements (...cont'd)

Other Information (...cont'd)

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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the 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.

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Company Registration No.: 201409251H

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGARDO INTERNATIONAL PTE. LTD. (...CONT'D)

(Incorporated in Singapore)

Report on the Audit of the Financial Statements (...cont'd)

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

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

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(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.

(e) 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.

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Company Registration No.: 201409251H

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGARDO INTERNATIONAL PTE. LTD. (...CONT'D)

(Incorporated in Singapore)

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.

JBS Practice PAC

JBS PRACTICE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

22 April 2025

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Company Registration No.: 201409251H

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025	2024
		S$	S$
ASSETS			
Current assets			
Cash and cash equivalents	4	366,587	972,751
Trade and other receivables	5	2,451,678	2,766,350
Inventories	6	3,541,702	3,851,814
Prepayments		36,176	45,082
		6,396,143	7,635,997
Non-current asset			
Property, plant and equipment	7	6,068,204	6,371,233
Total assets		12,464,347	14,007,230
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,219,964	2,712,488
Contract liabilities	13	-	12,630
Loans and borrowings	9	346,447	827,777
Lease liabilities	10	37,588	36,240
Current income tax liabilities		48,341	202,549
		2,652,340	3,791,684
Non-current liabilities			
Loans and borrowings	9	3,364,546	3,791,599
Lease liabilities	10	40,168	70,451
Deferred tax liabilities	11	10,227	56,182
		3,414,941	3,918,232
Total liabilities		6,067,281	7,709,916
NET ASSETS		6,397,066	6,297,314
SHAREHOLDERS' EQUITY			
Share capital	12	2,920,500	2,920,500
Retained profits		3,476,566	3,376,814
TOTAL EQUITY		6,397,066	6,297,314

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

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 S$	2024 S$
REVENUE			
Sale of goods	13	8,672,528	13,299,677
Other income	14	291,612	191,628
		8,964,140	13,491,305
COSTS AND EXPENSES			
Purchases consumed	15	(6,452,468)	(10,017,698)
Depreciation of property, plant and equipment	7	(317,686)	(342,465)
Employee benefits expense	16	(1,192,039)	(1,217,320)
Other operating expenses	17	(739,921)	(758,916)
Finance cost	18	(200,904)	(226,616)
		(8,903,018)	(12,563,015)
Profit before income tax		61,122	928,290
Income tax benefit/(expense)	19	38,630	(202,549)
Net profit, representing total comprehensive income for the year		99,752	725,741

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

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIALYEAR ENDED 31 MARCH 2025

	Note	Share capital	Retained profits	Total
		S$	S$	S$
2025				
Balance as at 1 April 2024		2,920,500	3,376,814	6,297,314
Net profit, representing total comprehensive income for the year		-	99,752	99,752
Balance as at 31 March 2025		2,920,500	3,476,566	6,397,066
2024				
Balance as at 1 April 2023		2,920,500	2,851,073	5,771,573
Net profit, representing total comprehensive income for the year		-	725,741	725,741
Dividend paid	22	-	(200,000)	(200,000)
Balance as at 31 March 2024		2,920,500	3,376,814	6,297,314

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

SINGARDO INTERNATIONAL PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 S$	2024 S$
Operating activities			
Profit before income tax		61,122	928,290
Adjustments for:			
Depreciation of property, plant and equipment	7	317,686	342,465
Property, plant and equipment written off		2,619	-
Finance cost	18	200,904	226,616
Operating cash flows before changes in working capital		582,331	1,497,371
Changes in working capital			
Trade and other receivables		314,672	2,692,087
Prepayments		8,906	27,520
Inventories		310,112	329,063
Trade and other payables		(492,524)	(1,866,647)
Contract liabilities		(12,630)	6,139
Cash generated from operations		710,867	2,685,533
Income tax paid		(161,533)	(269,893)
Net cash generated from operating activities		549,334	2,415,640
Investing activity			
Purchase of property, plant and equipment	7	(17,276)	(53,110)
Net cash used in investing activity		(17,276)	(53,110)
Financing activities			
Dividend paid		-	(200,000)
Repayment of finance lease		(28,935)	(34,896)
Repayment of loans and borrowings		(908,383)	(1,731,364)
Interest paid	18	(200,904)	(226,616)
Net cash used in financing activities		(1,138,222)	(2,192,876)
Net (decrease)/increase in cash and cash equivalents		(606,164)	169,654
Cash and cash equivalents at beginning of the year		972,751	803,097
Cash and cash equivalents at end of the year	4	366,587	972,751

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

1. GENERAL INFORMATION

Singardo International Pte. Ltd. (Company Registration No. 200301505M) (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 2 Kallang Avenue, #09-23, CT Hub Building, Singapore 339407.

The principal activities of the Company are those of trading in Ductile Iron, HDPE (High Density Poly-ethylene), PPR (Poly-Propylene), PEX (Cross-linked Poly-Ethylene) pipes, fittings, Valves and Manhole covers. With PEX and Manhole covers being the newer product range undertaken by the Company.

The immediate holding company is Electrosteel Castings Limited, a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2025 were authorised and approved by the board of directors for issuance on 22 April 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation

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

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Singapore dollars, which is the functional and presentation currency of the Company.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

b) Currency translation and balances

In preparing the financial statements of the Company, monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating to those ruling at the end of each reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on translating monetary items at the end of the reporting period are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair values were measured.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and cash held in trust which are subject to an insignificant risk of change in value.

d) Financial assets

(i) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

• Amortised cost;
• Fair value through other comprehensive income (FVOCI); and
• Fair value through profit or loss (FVPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

d) Financial assets (...cont'd)

(i) Classification and measurement (...cont'd)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables.

There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

• Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

d) Financial assets (…cont'd)

(i) Classification and measurement (...cont'd)

At subsequent measurement (…cont'd)

Debt instruments (...cont'd)

• FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

• FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25(b) details how the Company determines whether there has been a significant increase in credit risk.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

d) Financial assets (…cont'd)

(ii) Impairment (...cont'd)

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

For trade receivables, the Company applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) Recognition and derecognition

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.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

e) Financial liabilities

(i) 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 FVPL, directly attributable transaction costs.

(ii) Subsequent measurement

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

(iii) Derecognition

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

f) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

h) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

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

Leasehold building	60 years
Warehouse	30 years
Computers	3 years
Office equipment, fixtures and fittings	3 – 10 years
Motor vehicles	10 years
Renovations	10 years
Plant and equipment	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

h) Property, plant and equipment (…cont'd)

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any revaluation reserves relating to the asset are transferred to other comprehensive income.

i) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing 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 or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

k) Leases

The Company leases office equipment under finance lease, land and a warehouse space under operating leases from non-related parties.

(i) *Lessee - Finance leases*

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability.

The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

k) Leases (…cont'd)

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

l) 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.

m) Revenue recognition

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

m) Revenue recognition (…cont'd)

(i) Income from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied (i.e. at a point in time)

Payment for the transaction price is due between 30 to 180 days from when the customer purchases the goods.

(ii) Interest income is recognised using the effective interest method.

(iii) Rental income from operating lease is recognised on a straight line basis over the lease term.

n) Taxes

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 end of the reporting period.

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 it affects neither the taxable profit nor the accounting profit.

A deferred income tax liability is recognised for all taxable temporary differences.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

n) Taxes (…cont'd)

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 substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

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

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (...CONT'D)

o) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

p) Dividends

Dividends to the Company's shareholders are recognised when dividends are approved for payments.

q) Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical accounting estimates, assumptions and judgements for the preparation of financial statements:

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The Company depreciates property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's property, plant and equipment. The carrying amount reflect management's estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the Company's property, plant and equipment as at the end of each reporting period are disclosed in Note 7 to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (...CONT'D)

(b) Key sources of estimation uncertainty (...cont'd)

(ii) Impairment of non-financial asset

Property, plant and equipment are tested for impairment whenever there is objective evidence or indication of those assets may be impaired.

Determining whether the property, plant and equipment are impaired requires an estimation of value-in-use of the property, plant and equipment. The value-in-use calculation requires the management to estimate the future cash flows and appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

The carrying amounts of the Company's property, plant and equipment as at the end of each reporting period are disclosed in Note 7 to the financial statements.

(iii) Inventory valuation method

Management reviews the Company's inventory levels, ageing and turnover ratio in order to identify the value of the slow-moving and obsolete items in accordance with the Company's policy and to identify the items which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as allowance on inventory. The carrying amounts of the Company's inventories as at the end of each reporting period are disclosed in Note 6 to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (...CONT'D)

(b) Key sources of estimation uncertainty (...cont'd)

(iv) Loss allowance for impairment of trade and other receivables

Management determines the expected loss arising from default for trade receivables by categorised them based on its historical loss pattern, historical payment profile as well as credit risk profile of customer.

Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year.

Management determines whether there is significant increase in credit risk of these third parties since initial recognition. Management considers various operating performance ratios as well as liquidity ratios of these third parties. There is no significant increase in credit risk as at 31 March 2025.

(v) Income taxes

Significant assumptions are required in determining the deductibility of certain expenses during the estimation of the computation of income tax expense. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company's recognised 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 in the financial year in which such determination is made. At 31 March 2025, the carrying amounts of the Company's current income tax current liabilities and deferred tax liabilities are disclosed in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (...CONT'D)

4. CASH AND CASH EQUIVALENTS

	2025 S$	2024 S$
Cash on hand	4,458	6,652
Cash at banks	362,129	966,099
	366,587	972,751

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2025 S$	2024 S$
Singapore dollar	361,187	961,881
United States dollar	5,400	10,870
	366,587	972,751

5. TRADE AND OTHER RECEIVABLES

	2025 S$	2024 S$
Trade receivables – third parties	2,427,574	2,748,670
Other receivables:		
Refundable deposits	9,340	10,758
Others – third parties	14,764	6,922
	2,451,678	2,766,350

The credit period on sale of goods is within 30 to 180 days (2024: 30 to 180 days). No interest is charged on the outstanding balance. Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor.

Trade and other receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

5. TRADE AND OTHER RECEIVABLES (...CONT'D)

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over one year past due, whichever occurs earlier.

Expected credit losses (ECL) on trade receivables

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information which involved significant estimates and judgements.

In determining the ECL of trade receivables, the Company has used one year of historical losses data to determine the loss rate to reflect the current and forward looking information.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in FRS 109:

	Lifetime ECL not credit-impaired	
	2025	2024
	S$	S$
Balance as at 1 April	-	1,713
Net re-measurement of loss allowance	-	(1,713)
Balance as at 31 March	-	-

Trade and other receivables are denominated in Singapore dollar.

6. INVENTORIES, AT COST

	2025 S$	2024 S$
Trading goods	3,302,655	3,291,308
Inward charges	142,215	126,836
Goods-in-transit	96,832	433,670
	3,541,702	3,851,814

The cost of inventories recognised as an expense and included in the "purchase consumed" amounts to S$6,452,468 (2024: S$10,017,698) (Note 15).

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building S$	Leasehold warehouse S$	Computers S$	Office equipment, fixtures and fittings S$	Motor vehicles S$	Renovations S$	Plant and equipment S$	Total S$
2025								
Cost								
At 1 April 2024	1,513,390	7,410,600	27,656	110,743	359,055	279,209	357,253	10,057,906
Addition	-	-	1,499	-	-	6,390	9,387	17,276
Disposal	-	-	(13,436)	-	-	-	(9,818)	(23,254)
At 31 March 2025	1,513,390	7,410,600	15,719	110,743	359,055	285,599	356,822	10,051,928
At 1 April 2024	277,455	2,558,625	27,656	99,236	143,621	226,099	353,981	3,686,673
Charge for the year	25,223	245,628	333	3,007	35,905	5,684	1,906	317,686
Disposal	-	-	(13,436)	-	-	-	(7,199)	(20,635)
At 31 March 2025	302,678	2,804,253	14,553	102,243	179,526	231,783	348,688	3,983,724
Carrying amount								
At 31 March 2025	1,210,712	4,606,347	1,166	8,500	179,529	53,816	8,134	6,068,204

7. PROPERTY, PLANT AND EQUIPMENT (...CONT'D)

	Leasehold building S$	Leasehold warehouse S$	Computers S$	Office equipment, fixtures and fittings S$	Motor vehicles S$	Renovations S$	Plant and equipment S$	Total S$
2024								
Cost								
At 1 April 2023	1,513,390	7,410,600	27,656	110,743	359,055	226,099	357,253	10,004,796
Addition	-	-	-	-	-	53,110	-	53,110
At 31 March 2024	1,513,390	7,410,600	27,656	110,743	359,055	279,209	357,253	10,057,906
At 1 April 2023	252,232	2,312,997	27,345	91,685	107,716	200,240	351,993	3,344,208
Charge for the year	25,223	245,628	311	7,551	35,905	25,859	1,988	342,465
At 31 March 2024	277,455	2,558,625	27,656	99,236	143,621	226,099	353,981	3,686,673
Carrying amount								
At 31 March 2024	1,235,935	4,851,975	-	11,507	215,434	53,110	3,272	6,371,233

Property, plant and equipment includes the company's right-of-use asset of S$179,529 (2024: S$215,434) relating to lease of motor vehicle, S$6,708 (2024: S$7,702) relating to lease of printer under office equipment, S$8,135 (2024: S$3,273) relating to lease of printer under plant and equipment.

7. PROPERTY, PLANT AND EQUIPMENT (…CONT'D)

Property, plant and equipment as at 31 March 2025 included motor vehicles and office equipment under finance lease obligations with carrying amount of S$179,529 and S$14,483 respectively (2024: S$215,434 and S$10,975 respectively). Leased amounts are pledged as security for the related lease liabilities (Note 10).

The leasehold building and warehouse with carrying amount of S$1,210,712 (2024: S$1,235,935) and S$4,606,347 (2024: S$4,851,975), respectively, are acquired under loans from a financial institution (Note 9) and the Company has pledged the leasehold building and warehouse with a financial institution along with personal guarantee from one of its directors to the amount of S$9,779,640 (2024: S$9,779,640).

8. TRADE AND OTHER PAYABLES

	2025 S$	2024 S$
Trade payables:		
- Third parties	108,294	488,040
- Amount owing to a shareholder	1,911,704	1,818,802
- GST payable	41,164	57,696
	2,061,162	2,364,538
Other payables:		
- Accruals	60,575	161,473
- Rental deposits received	36,000	36,000
- Other creditors	62,227	150,477
	2,219,964	2,712,488

Amount owing to a shareholder is unsecured, interest free and is repayable within the next twelve months.

Trade and other payables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Trade and other payables are non-interest bearing and are settled on 30 to 180 days (2024: 30 to 180 days) credit terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (...CONT'D)

8. TRADE AND OTHER PAYABLES (...CONT'D)

The Company's trade and other payables are denominated in the following currencies:

	2025 S$	2024 S$
Euro	104,697	391,250
Singapore dollars	2,115,267	2,278,818
United States dollars	-	42,420
	2,219,964	2,712,488

9. LOANS AND BORROWINGS

	2025 S$	2024 S$
Current:		
Bank loans	346,447	827,777
Non – current:		
Bank loans	3,364,546	3,791,599
	3,710,993	4,619,376

i) Bank loan for leasehold building:

Loans from the bank are repayable within 240 months commencing October 2011. The bank loans carry an interest rate at 4.72% to 4.96% per annum (2024: 3.91% to 4.78% per annum).

9. LOANS AND BORROWINGS (…CONT'D)

ii) Bank loan for warehouse:

Loans from the bank are repayable within 240 months commencing August 2013. The bank loans carry an interest rate at 4.72% to 5.38% per annum (2024: 4.01% to 4.83% per annum)

The bank loans are secured as follows:

i) First Legal Mortgage (Open) was executed over the leasehold building and warehouse.

ii) The balance was secured by a personal guarantee amounting to S$9,779,640 (2024: S$9,779,640).

iii) Temporary bridging loan:

Loans from the bank are repayable within 60 months commencing June 2020. The bank loan carry an interest rate at nil per annum (2024: 2.5%). The bank loan was secured by a personal guarantee amounting to S$2,000,000 (2024: S$2,000,000).

Full payment of the temporary bridging loan was made on 2 September 2024.

iv) Bank covenants

a) The banking facilities with the bank includes a covenant wherein so long as any sum remains or may be outstanding under the banking facilities, there shall be no direct or indirect change of control in the shareholding or management of the Company, as determined by the bank in its absolute discretion. In the event of a change, prior written consent from the bank shall be required and the bank shall be entitled to impose such terms and conditions as it deems fit, including the levying of a charge equivalent to the prepayment fee or such other amount as may be advised by the Bank.

b) The Company shall not pay or distribute more than 50% of the profit as dividends annually without prior written consent from the bank.

The Company's compliance with these covenants will be assessed during the bank's periodic review of the account.

Bank loans are denominated in Singapore dollar.

10. LEASE LIABILITIES

	2025	2024
	S$	S$
Minimum lease payments due		
Not later than one year	40,440	40,396
Between second to fifth year inclusive	42,405	74,005
	82,845	114,401
Less: Future finance charges	(5,089)	(7,710)
Present value of lease liabilities	77,756	106,691

The present values of lease liabilities are analysed as follows:

Not later than one year	37,588	36,240
Between second to fifth year inclusive	40,168	70,451
	77,756	106,691

The lease liabilities bear interest at a fixed rate ranging from 2.8% (2024: 2.8%) per annum. Lease liabilities are denominated in Singapore dollars.

The Company's obligation under lease is secured by the lessor's title to the leased asset (Note 7).

At the end of the leasing period, the ownership of the motor vehicle and office equipment will transfer to our company.

11. DEFERRED TAX LIABILITIES

	2025	2024
	S$	S$
Accelerated tax depreciation:		
At beginning of the year	56,182	56,182
Movement during the year – (Note 19)	(45,955)	-
At the end of the year	10,227	56,182

Deferred income tax liability comprises of the excess carrying amount of property, plant and equipment over the tax written down value.

12. SHARE CAPITAL

	2025	2024	2025	2024
	Number of ordinary shares		S$	S$
Issued				
At the beginning and end of the year	2,790,000	2,790,000	2,920,500	2,920,500

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets.

13. SALE OF GOODS

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

	2025	2024
	S$	S$
Sale of pipes, valves and other fittings items	8,672,528	13,299,677

Nature of goods	The Company generates revenue from trading in ductile Iron, HDPE (High Density Poly-Ethylene), PPR (Poly-Propylene), PEX (Cross-linked Poly-Ethylene) pipes, fittings, valves and Manhole covers.
When revenue is recognised	Income from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied (i.e. at a point in time)
Significant payment terms	Payment is due within 30 to 180 days since the customer purchases the goods.

13. SALE OF GOODS (...CONT'D)

a) Significant changes in contract liabilities.

	2025 S$	2024 S$
As at 1 April	12,630	6,491
Amount recognised as revenue	(12,630)	(6,491)
Cash received in advance of performance and not recognised as revenue	-	12,630
As at 31 March	-	12,630

The contract liabilities represent the Company's obligation as part of the contractually sum that is billed in advances for services to be performed which it will be recognised over the period the promised services are transferred to the customer.

14. OTHER INCOME

	2025 S$	2024 S$
Government Grant	3,987	-
Special employment credit	8,469	9,250
Rental income	216,000	145,000
Gain on foreign exchange	(3,531)	32,580
Others	66,687	4,798
	291,612	191,628

15. PURCHASES CONSUMED

	2025 S$	2024 S$
Opening inventories	3,851,814	4,180,877
Purchases	5,874,592	9,431,572
Inwards charges	267,764	257,063
Closing inventories (Note 6)	(3,541,702)	(3,851,814)
	6,452,468	10,017,698

16. EMPLOYEE BENEFITS EXPENSE

	2025 S$	2024 S$
Directors' remuneration and bonus	335,990	359,760
Directors' CPF contributions	23,148	23,854
Directors' fee	-	20,000
Staff salaries and bonuses	704,984	677,062
Staff CPF contributions	97,185	99,862
Medical expenses	13,060	23,630
Staff welfare	17,672	13,152
	1,192,039	1,217,320

17. OTHER OPERATING EXPENSES

	2025 S$	2024 S$
Bad debts written off	15,825	-
Bank charges	5,965	5,918
Consultancy fee	24,000	24,000
Commission	-	27,000
Entertainment	36,455	36,906
Freight outward expenses	146,180	157,705
General expenses	60,801	75,370
Insurance	76,758	70,168
Legal and professional fees	38,019	30,678
Property tax	42,610	41,337
Rental expense	134,253	132,129
Store expenses	41,436	45,156
Subscription fees	14,420	11,738
Telephone	14,566	14,789
Transportation	39,482	35,088
Travelling expenses	10,127	8,236
Upkeep of motor vehicles	16,203	16,739
Utilities	16,788	20,246
Others	6,033	5,713
	739,921	758,916

18. FINANCE COST

	2025 S$	2024 S$
Interest on finance lease liabilities	4,265	5,500
Interest on bank loans	194,572	214,822
Others interest expenses	2,067	6,294
	200,904	226,616

19. INCOME TAX BENEFITS / (EXPENSE)

	2025 S$	2024 S$
Tax expense:		
Current year tax expense	48,341	202,549
Overprovision of prior year tax	(41,016)	-
Deferred tax expense (Note 11)	(45,955)	-
	(38,630)	202,549

	2025 S$	2024 S$
Profit before income tax	61,122	928,290
Income tax expense at applicable rate	10,391	157,809
Non-allowable items	65,541	73,439
Non-taxable income	(8,092)	-
Deferred income tax (Note 11)	(45,955)	-
Tax affect on utilised capital allowance	(841)	-
Tax exemption	(17,425)	(17,425)
Other allowed deduction	(1,233)	(9,998)
Overprovision of prior year tax	(41,016)	-
Temporary difference	-	(1,276)
	(38,630)	202,549

The overprovision of prior year tax includes tax rebate amounting to S$38,000.

20. OPERATING LEASE COMMITMENTS

Operating lease commitments – where the Company is a lessee

The Company leases land from non-related parties under non-cancellable operating lease agreements. The leases have varying escalation terms and renewal rights. The future minimum lease payables under non-cancellable operating leases with lease terms between 1 to 3 years contracted for at the end of the reporting period but not recognised as liabilities, which are due as follows:

	2025 S$	2024 S$
Operating lease recognised as an expense in the period:		
Leasing of land	134,253	132,129

At the end of the reporting period, the Company have the following commitments in respect of non-cancellable operating leases:

	2025 S$	2024 S$
Due within one year	123,313	123,313
Due within two to five years	10,276	10,276

Operating lease commitments – where the Company is a lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for the reporting period but not recognised as receivables are as follow:-

	2025 S$	2024 S$
Due within one year	129,600	216,000
Due within two to five years	356,400	378,000
	486,000	594,000

Operating lease commitment represents rental receivable from a third party to the Company for rental of warehouse space. The lease is negotiated for approximately 3 years term since January 2024.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Company had transactions with related parties on terms agreed between them with respect to the following during the financial year:

	2025 S$	2024 S$
Consultancy fees paid to a company in which one of the directors has interest	24,000	24,000
Expenses paid on behalf of related company	39,966	12,865
Purchases from a shareholder	5,135,147	4,397,625

(b) Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

The remuneration of key management personnel, mainly directors, during the financial year is as follows:

	2025 S$	2024 S$
Directors' fee	-	20,000
Short term benefits	359,138	383,614

There are no other key management personnel apart from directors.

22. DIVIDENDS

During the previous financial year ended 31 March 2024, one-tier exempt final dividend of S$0.07 per share amounting to S$200,000 was paid from the retained earnings.

23. BANKING FACILITIES

The Company has obtained the following banking facilities from financial institutions:-

a) Documentary credit line
b) Trust receipts
c) Term bills
d) Overdraft
e) Exchange purchase (BEP)/export financing
f) Performance guarantee
g) Foreign exchange

The Company has the following held as securities with financial institution as follows:

a) Legal mortgage over 2 Kallang Avenue CT Hub #09-23 Singapore 339407 and 7 Second Chin Bee Road Singapore 618772.

b) Personal guarantee from one of the directors amounting to S$9,779,640 (2024: S$9,779,640).

24. COMMITMENTS AND CONTINGENT LIABILITIES

a) At the end of the reporting period, the Company has obtained bank guarantees as follows:

	2025	2024
	S$	S$
Letter of guarantee	88,550	57,050

24. COMMITMENTS AND CONTINGENT LIABILITIES (...CONT'D)

b) At the end of the reporting period, the Company has sales and purchases commitments as follows:

	2025 S$	2024 S$
Sales commitment	7,778,040	8,036,274
Purchase commitment	8,550,692	8,771,386

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

(a) Market risk

(i) Foreign currency risk

The majority of the Company's transactions are denominated in Singapore dollars and hence the Company has no significant exposure to foreign currency risk.

(ii) Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates except for the loans and borrowings as disclosed in Note 9.

At 31 March 2025, if the estimated Singapore dollars' interest rate had increased by 0.5% (2024: 0.5%), with all other variables including tax rate being held constant, the company's net profit for the year would have been lower by approximately S$18,000 (2024: S$23,000) as a result of higher/lower interest expense on loans and borrowings and finance lease. The assumed movement in interest rate is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

25. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank balances, trade and other receivables. For banks and financial institutions, deposits are placed with regulated banks which has A credit-ratings assigned by Standard & Poor's, a credit-rating agency. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The significant trade receivables of the Company comprise 10 debtors (2024: 12 debtors) that collectively represented 80% (2024: 85%) of trade receivables.

The carrying amount of trade receivables represents the Company's maximum exposure to credit risk.

Cash and cash equivalents and other receivables are subject to immaterial credit loss.

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement), these exposures are considered to have low risk credit risk. Therefore impairment on these balances has been measured on the 12 months expected credit loss basis, and the amount of the allowance is insignificant.

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

	2025	2024
	S$	S$
By geographical area		
Singapore	2,427,574	2,748,670

25. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(c) *Liquidity risk*

Liquidity risk refers to the risk in which the Company may not be able to meet its short-term obligations. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate effects of fluctuations in cash flows. The shareholders also provide financial support to finance the Company's operations as required.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The table represents interest and principal cash flows.

	2025 S$	2024 S$
Less than 1 year		
Trade and other payables	2,219,964	2,633,656
Loans and borrowings	511,806	511,806
Lease liabilities	37,588	36,240
	2,769,358	3,181,702
Within second to fifth years inclusive		
Loans and borrowings	2,047,224	2,047,224
Lease liabilities	40,168	70,451
	2,087,392	2,117,675
More than fifth years		
Loans and borrowings	1,609,597	2,599,688
	6,466,347	7,899,065

25. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, loan and borrowings current portion and finance lease liabilities approximate their fair values.

(e) Categories of financial instruments

The following table sets out the Company's financial instruments as at the end of the reporting period:

	2025 S$	2024 S$
Financial assets, at amortised cost	2,818,265	3,739,101
Financial liabilities, at amortised cost	5,967,549	7,380,859

26. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Capital includes share capital and retained profits of the Company.

26. CAPITAL RISK MANAGEMENT (...CONT'D)

Management monitors capital based on net debt and total capital. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities excluding current income tax liabilities, contract liabilities and deferred tax liabilities less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2025	2024
	S$	S$
Net debt	5,642,126	6,465,804
Total equity	6,397,066	6,296,345
Total capital	12,039,192	12,762,149
Gearing ratio	0.47	0.51

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's overall strategies for the financial years ended 31 March 2025 and 2024.

27. NEW STANDARD ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 21 *The Effects Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025
Amendments to FRS 118: *Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to FRS 109 and FRS 107: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to FRSs Volume 11	1 January 2026

The Company has not applied those FRSs that have been issued but are effective only in the next financial year. The Company expects that the adoption of the above standards will have no financial effect on the financial statements in the period of initial application.