DSSP GLOBAL LIMITED

REPORTS

AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

LOUIS LAI & LUK CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

DSSP GLOBAL LIMITED

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DSSP GLOBAL LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the annual audited consolidated financial statements of the Group for the year ended March 31, 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and sampling trading. The principal activity of subsidiary is set out in Note (23a) to the consolidated financial statements.

FINANCIAL STATEMENTS AND APPROPRIATIONS

The financial performance of the Company and its subsidiary ("the Group") for the year ended March 31, 2021 and the financial position of the Group are set out in the consolidated financial statement on pages 7 to 9.

The directors do not recommend the payment of any dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in property, plant and equipment are set out in Note (11) to the consolidated financial statements.

SHARE CAPITAL

Details of share capital of the Group are set out in Note (22) to the consolidated financial statements.

DIRECTORS

(a) Directors of the Company

The directors of the Company during the year and up to the date of this report were as follow:

Deepak Kumar SETH	
Pulkit SETH	
Sweta AGARWAL	(Resigned on July 15, 2020)
Sumit LATH	(Appointed on July 15, 2020)

There being no provision in the Company's Articles of Association to the contrary, all directors continue in office for the ensuing year.

(b) Directors of the Company's subsidiary

During the year and up to date of this report, Deepak Kumar SETH, Pulkit SETH and Amit KUMAR are the directors of the subsidiary of the Company.

MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except for the related party transactions as disclosed in Note (26) to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company's immediate holding companies, subsidiary or fellow subsidiaries was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, its immediate holding company or fellow subsidiaries, a party to any arrangements 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiary were entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors was in force during the year and up to the date of this report.

BUSINESS REVIEW

No business review is presented as the Group has been able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance (Cap. 622) since it is a wholly owned subsidiary of another body corporate, as at the reporting date.

AUDITORS

The Group's auditors, Messrs. Louis Lai & Luk CPA Limited, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Deepak Kumar SETH
Chairman

Hong Kong, June 3, 2021

LOUIS LAI & LUK CPA LIMITED CERTIFIED PUBLIC ACCOUNTANTS
黎劍民、陸永熙會計師事務所有限公司

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DSSP GLOBAL LIMITED (incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of DSSP Global Limited ("the Company") and its subsidiary ("the Group") set out on pages 7 to 47, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the directors' report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap.622) and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Louis Lai & Luk CPA Limited
Certified Public Accountants

Luk Wing Hay
Practising Certificate Number P01623

Hong Kong, June 3, 2021.

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2021

	NOTES	2021	2020
		US$	US$
REVENUE	(5)	24,835,438	33,565,876
COST OF SALES		(21,654,185)	(28,541,656)
GROSS PROFIT		3,181,253	5,024,220
OTHER INCOME AND GAINS	(5)	366,131	253,314
STAFF COSTS		(2,300,195)	(3,342,808)
DEPRECIATION		(169,921)	(166,163)
SELLING EXPENSES		(57,515)	(146,732)
OTHER OPERATING EXPENSES		(703,329)	(1,123,417)
PROFIT FROM OPERATION		316,424	498,414
FINANCE COSTS	(6)	(185,380)	(319,090)
PROFIT BEFORE TAXATION	(7)	131,044	179,324
TAXATION	(9)	(67,861)	(94,443)
PROFIT FOR THE YEAR		63,183	84,881
OTHER COMPREHENSIVE (LOSS)/INCOME		(42,647)	92,633
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		20,536	177,514
PROFIT ATTRIBUTABLE TO:			
Equity holders of the Company		11,080	18,631
Non-controlling interests		52,103	66,250
		63,183	84,881
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Company		(18,733)	83,387
Non-controlling interests		39,269	94,127
		20,536	177,514

THE NOTES ON PAGES 13 TO 47 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	NOTES	2021	2020
		US$	US$
Non-Current Assets			
Property, plant and equipment	(11)	2,215,172	2,679,351
Deposits		69,766	184,934
Deferred tax assets		104,031	116,203
Right-of-use assets	(12)	321,313	-
		2,710,282	2,980,488
Current Assets			
Inventories	(13)	2,242,513	3,372,199
Trade and other receivables	(14)	3,380,395	5,465,117
Prepayments		349,835	897,361
Trade deposit paid		333,747	157,951
Amounts due from fellow subsidiaries	(15)	2,483,149	2,376,200
Amount due from ultimate holding company	(15)	366,553	257,815
Cash and cash equivalents	(16)	935,814	541,847
		10,092,006	13,068,490
Current Liabilities			
Trade and other payables	(17)	1,084,506	1,712,411
Amount due to immediate holding company	(18)	1,125,290	1,453,440
Amounts due to fellow subsidiaries	(18)	791,154	1,111,571
Secured bank borrowings	(19)	1,471,951	3,550,263
Lease liabilities	(20)	85,176	-
Provision for taxation		27,478	37,912
		4,585,555	7,865,597
Net Current Assets		5,506,451	5,202,893
Total Assets Less Current Liabilities		8,216,733	8,183,381
Non-Current Liabilities			
Employee benefits obligation	(21)	507,230	494,414
NET ASSETS		7,709,503	7,688,967

THE NOTES ON PAGES 13 TO 47 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

AS AT MARCH 31, 2021

	NOTES	2021	2020
		US$	US$
EQUITY			
Share capital	(22)	1,505,121	1,505,121
Retained earnings		3,626,659	3,645,392
Revaluation surplus		341,941	341,941
Total attributable to equity holders of the Company		5,473,721	5,492,454
Non-controlling interests		2,235,782	2,196,513
TOTAL EQUITY		7,709,503	7,688,967

APPROVED BY THE BOARD OF DIRECTORS ON JUNE 3, 2021 AND SIGNED ON BEHALF OF THE BOARD BY:

Deepak Kumar SETH
Director

Pulkit SETH
Director

THE NOTES ON PAGES 13 TO 47 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

	Attributable to shareholders of the Company				
	Share capital	Revaluation surplus	Retained earnings	Non-controlling interests	Total
	US$	US$	US$	US$	US$
At April 1, 2019	1,505,121	341,941	3,562,005	2,102,386	7,511,453
Profit for the year	-	-	18,631	66,250	84,881
Other comprehensive income for the year	-	-	64,756	27,877	92,633
At March 31, 2020 and April 1, 2020	1,505,121	341,941	3,645,392	2,196,513	7,688,967
Profit for the year	-	-	11,080	52,103	63,183
Other comprehensive loss for the year	-	-	(29,813)	(12,834)	(42,647)
At March 31, 2021	1,505,121	341,941	3,626,659	2,235,782	7,709,503

THE NOTES ON PAGES 13 TO 47 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	131,044	179,324
Adjustments for:		
Bank interest income	2,473	-
Interest expenses	176,530	319,090
Interest expenses on lease liabilities	8,850	-
Depreciation of property, plant and equipment	454,339	488,874
Depreciation of right-of-use assets	227,567	-
Employee benefits expenses	32,388	23,294
Gain on disposal of plant and equipment	(2,000)	(18,831)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,031,191	991,751
Decrease/(Increase) in deposits	115,168	(37,136)
Decrease/(Increase) in inventories	1,129,686	(443,790)
Decrease in trade and other receivables	2,084,722	1,449,066
Decrease/(Increase) in prepayments	547,526	(90,747)
(Increase)/Decrease in trade deposit paid	(175,796)	317,340
Decrease in trade and other payables	(627,905)	(452,460)
Net (payments to)/receipts from ultimate holding company	(108,738)	252,298
Net (payments to)/receipts from immediate holding company	(328,150)	362,753
Net payments to fellow subsidiaries	(427,366)	(205,716)
Net cash generated from operations	3,240,338	2,143,359
Employee benefits obligations paid	(66,378)	-
Bank interest received	(2,473)	-
Interest paid	(176,530)	(319,090)
Income tax paid	(61,964)	(88,924)
Net cash generated from operating activities	2,932,993	1,735,345
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire property, plant and equipment	(14,042)	(350,640)
Refund from construction in progress	-	56,188
Proceeds from disposal of plant and equipment	25,882	19,771
Net cash generated from/(used in) investing activities	11,840	(274,681)

THE NOTES ON PAGES 13 TO 47 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

DSSP GLOBAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	US$	US$
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from secured bank borrowings	23,064,639	37,579,439
Net payments to secured bank borrowings	(25,142,951)	(39,017,104)
Capital element of lease rentals paid	(463,704)	-
Interest element of lease rentals paid	(8,850)	-
Net cash used in financing activities	(2,550,866)	(1,437,665)
NET INCREASE IN CASH AND CASH EQUIVALENTS	393,967	22,999
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	541,847	518,848
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	935,814	541,847

THE NOTES ON PAGES 13 TO 47 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

1. GENERAL

DSSP Global Limited ("the Company") is a company incorporated in Hong Kong with limited liability. Its principal activities are investment holding and sampling trading. The address of its registered office is Room 1801, 18/F., Kimberland Centre, No. 55 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong. The directors consider that the ultimate holding company and immediate holding company are Pearl Global Industries Limited and Pearl Global (HK) Limited respectively. The ultimate holding company and immediate holding company are respectively incorporated in India and Hong Kong. The shares of the ultimate holding company are listed on the Bombay Stock Exchange and National Stock Exchange in India.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention and are presented in United States Dollars ("US$"), which is also the Group's functional and presentation currency.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note (4) to the consolidated financial statements.

b. Changes in Accounting Policies and Disclosures

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2020 for the preparation of the financial statements:

(i) Amendments to HKAS 1 and HKAS 8, Definition of Material
(ii) Amendments to HKFRS 3, Definition of a Business
(iii) Amendments to HKFRS 9, HKAS 39 and HKFRS 7, Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

c. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary made up to March 31, 2021. Subsidiary is an entity over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiary is consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balance and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the shareholders of the Company.

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

In the Company's statement of financial position, the interest in a subsidiary is stated at cost less allowance for impairment losses. The results of subsidiary are accounted for by the Company on the basis of dividends received and receivable.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

d. Property, Plant and Equipment

Property, plant and equipment except land and construction in progress, are stated at cost less accumulated depreciation and accumulated identified impairment loss, if any.

Depreciation is provided to write off the cost less residual value of property, plant and equipment over its expected useful lives.

Infrastructures	5 years
Machineries	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Tools and equipment	3 - 5 years

Land is stated at cost and not depreciated. Land titles represent building usage rights of Taman Pasadenia Apartment at Jakarta ("Hak Milik atas Satuan Rumah Susun") for a maximum period of 20 years and could be extended.

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

When assets are sold or otherwise disposed of, their carrying amounts are written off from the consolidated financial statements and any resulting gain or loss is included in the consolidated statement of profit or loss and other comprehensive income.

e. Leases

Definition of a lease

Lease is a contract, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand- alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases (Cont'd)

The Group as lessee (cont'd)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to 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 recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases (Cont'd)

The Group as lessee (cont'd)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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 rate, initially measured using the index or rate at the commencement date;
- amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line in the consolidated statement of financial position.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e. Leases (Cont'd)

The Group as lessee (cont'd)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease component.

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average method.

g. Impairment of Non-Financial Assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, 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 groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

g. Impairment of Non-Financial Assets (Cont'd)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, (only if there are revalued assets in the consolidated financial statements) unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

h. Financial Instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group classifies its debt instruments is as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

h. Financial Instruments (Cont'd)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases:

(1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and

(2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12 months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

h. Financial Instruments (Cont'd)

(iii) Financial liabilities

The Group's financial liabilities are initially measured at fair value, net of directly attributable cost incurred and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including creditors, other advances and accrued charges and borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9/HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(vi) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

i. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

j. Translation of Foreign Currency

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in United States Dollars ("US$"), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

k. Revenue Recognition

(i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

k. Revenue Recognition (Cont'd)

(i) Revenue from contract with customers (cont'd)

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

- Sales of goods

  Revenue from sales of goods is recognised when the customers have obtained control of the goods, being when the goods are delivered to the respective customers' specific locations and have been accepted by the customers, and the corresponding trade receivable are recognised as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. There is generally only one performance obligation.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

k. Revenue Recognition (Cont'd)

(ii) Revenue from other sources

- Bank interest income

  Interest income from bank deposit is accrued on a time proportion basis on the principal outstanding and at the rate applicable.

- Claim and recovery

  Claim and recovery is recognised when the Group is entitled to the income.

- Management fee income

  Management fee income is recognised when the relevant service is rendered.

- Other income

  Other income are recognised on receipt basis.

l. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

l. Taxation (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

n. Bank Borrowings

Interest bearing bank loans and overdrafts are initially measured as fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs, if any) and the settlement or redemption of borrowings is recognised over the terms of borrowings in accordance with the Group's policy for borrowing cost as stated in the preceding note.

o. Retirement Benefit Costs

The Group's contributions to the mandatory provident fund scheme are charged to the consolidated statement of profit or loss and other comprehensive income as incurred.

The Group's employees who have completed the required number of years of service to the Group are eligible for long service payments in the event of the termination of their employment.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of reporting period.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

p. Employee Benefits Obligation

The Group determines its post-employment benefits obligation under the Labor Law of the Republic of Indonesia No. 13/2003. The cost of providing post-employment benefits is determined using "Projected Unit Credit" method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded the higher of 10% of the defined benefit obligation and 10% of the fair value of plan assets at that date. These gains or losses are recognized on a straight-line basis method over the expected average remaining working lives of the employees. Past service cost arising from the introduction of a defined benefit plan or changes in the benefits obligation of an existing plan are required to be amortized over the period until the benefits concerned become vested.

q. Related Parties

A related party is a person or entity that is related to the Group.

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

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the Group or a parent of the Group.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
(vi) The entity is controlled or jointly controlled by a person identified in (A).
(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provide key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;
(ii) children of that person's spouse or domestic partner; and
(iii) dependants of that person or that person's spouse or domestic partner.

3. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
(ii) To support the Group's stability and growth; and
(iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes in the objectives, policies or processes for managing capital were made during the years ended March 31, 2021 and March 31, 2020.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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

Judgements

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

Revenue from contracts with customers

The Group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods & rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has concluded that it is operating on a principal to principal basis in all its revenue arrangements.

The Group applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of contract, if not the promised services are combined and accounted as a single performance obligation.

For performance obligation where control is transferred over the time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the promised service to be rendered.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Provision for expected credit loss on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix calculates ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

Depreciation on plant and equipment

Depreciation on the Group's plant and equipment is calculated using the straight-line method to allocate cost up to residual values over the estimated useful lives of the assets. Management reviews the useful lives and residual values periodically to ensure that the method and rate of depreciation are consistent with the expected pattern of realisation of economic benefits rates of depreciation are consistent with the expected pattern of realization of economic benefits from plant and equipment. The accounting estimate of the useful lives of plant and equipment is based on historical experience, taking into account anticipated technological changes.

5. REVENUE, OTHER INCOME AND GAINS

	2021	2020
Revenue, other income and gains recognised during the year are as follows:	US$	US$
Revenue:		
Sales	24,834,329	33,550,943
Sampling income	1,109	14,933
	24,835,438	33,565,876
Other income and gains:		
Bank interest income	2,473	-
Claim and recovery	27,241	128,277
Exchange gain, net	162,972	-
Management fee income	80,000	103,333
Other income	38,559	2,873
Gain on disposal of plant and equipment	2,000	18,831
Made sample income	52,886	-
	366,131	253,314
	25,201,569	33,819,190

6. FINANCE COSTS

	2021	2020
	US$	US$
Bank interest	174,380	319,090
Factoring financing charges	2,150	-
Interest on lease liabilities	8,850	-
	185,380	319,090

7. PROFIT BEFORE TAXATION

	2021	2020
	US$	US$
Profit before taxation is stated after charging/(crediting):		
Auditors' remuneration	5,348	5,267
Depreciation of property, plant and equioment	454,339	488,874
Depreciation of right-of-use assets	227,567	-
Foreign exchange (gains)/losses, net	(162,972)	39,767
Gain on disposal of plant and equipment	(2,000)	(18,831)
Rental payments under operating leases	259,955	485,537
Staff costs (including directors' remuneration)		
- Salaries and allowance	6,247,369	10,513,233
- Contribution to retirement benefit scheme - MPF	7,146	14,677
- Staff welfare	36,358	33,626

8. DIRECTORS' REMUNERATION

Remuneration of the directors of the Group disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2021	2020
	US$	US$
Emoluments:		
Acting as directors	-	-
Provision of management services	32,000	60,000
Retirement benefits	-	-
	32,000	60,000

9. TAXATION

Hong Kong profits tax has not been provided since the Company made no assessable profits for the year. Income tax of subsidiary has been provided at the prevailing rate of the country the subsidiary operates.

	2021	2020
	US$	US$
Hong Kong profits tax:		
Current year	-	-
Overseas income tax:		
Charge for the year	51,530	91,170
Deferred tax	16,331	3,273
	67,861	94,443

9. TAXATION (CONT'D)

a. The tax charge for the year can be reconciled to the profit before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

	2021	2020
	US$	US$
Profit before taxation	131,044	179,324
Tax at the domestic income tax rate	34,876	56,328
Tax effect of expenses that are not deductible in determining taxable profit	7,616	14,234
Tax effect of income that are not taxable in determining taxable profit	(6,839)	(4,814)
Tax effect on other temporary difference	(8,470)	3,378
Tax effect of tax loss not recognised	24,347	22,044
Current year deferred tax	16,331	3,273
Taxation expense for the year	67,861	94,443

b. The following is the analysis of deferred tax balance presented on the consolidated statement of financial position.

	2021	2020
	US$	US$
Subsidiary:		
Balance as at April 1	116,203	150,354
Credited to operating expenses	(16,331)	(3,273)
Charged/(Credited) to other comprehensive income	4,159	(30,878)
Balance as at March 31	104,031	116,203

10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Included in the profit of US$11,080 (2020: profit of US$18,631) attributable to shareholders of the Group is a loss of US$109,955 (2020: loss of US$135,265) which is dealt with in the Company's own accounts.

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Infrastructures	Machineries	Furniture and Fixtures	Office Equipment	Motor Vehicles
Cost	US$	US$	US$	US$	US$	US$
At 1/4/2019	182,932	537,967	3,700,720	233,921	8,967	419,152
Additions	-	60,059	188,962	36,743	-	59,407
Refund from developer	-	-	-	-	-	-
Disposal	-	-	(165,553)	-	-	(61,581)
At 31/3/2020 and 1/4/2020	182,932	598,026	3,724,129	270,664	8,967	416,978
Additions	-	2,143	353	9,581	-	-
Disposal	-	-	(370,077)	-	-	(33,666)
At 31/3/2021	182,932	600,169	3,354,405	280,245	8,967	383,312
Accumulated Depreciation						
At 1/4/2019	-	313,543	2,307,464	163,454	6,724	231,236
Charge for the year	-	43,794	322,713	14,750	1,675	70,613
Disposal	-	-	(165,553)	-	-	(60,640)
At 31/3/2020 and 1/4/2020	-	357,337	2,464,624	178,204	8,399	241,209
Charge for the year	-	47,741	311,816	16,747	323	45,353
Disposal	-	-	(369,640)	-	-	(10,221)
At 31/3/2021	-	405,078	2,406,800	194,951	8,722	276,341
Net Carrying Amount						
At 31/3/2021	182,932	195,091	947,605	85,294	245	106,971
At 31/3/2020	182,932	240,689	1,259,505	92,460	568	175,769

(1)Depreciation expenses of US$311,816 (2020: US$322,711) has been charged to consolidated statement of profit or loss and other comprehensive income within cost of goods sold and US$142,523 (2020: US$166,163) has been charged to consolidated statement of profit or loss and other comprehensive income within depreciation expenses.
(2)As at March 31, 2021 and March 31, 2020, part of the machineries is pledged to secure part of the secured bank borrowings.

12. RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office	Factory	Total
	US$	US$	US$
At 1/4/2020	-	-	-
Additions	54,797	494,083	548,880
Depreciation charge	(27,398)	(200,169)	(227,567)
At 31/3/2021	27,399	293,914	321,313

The lease terms of the factory and office are 1.5 to 5 years. Depreciation is provided to write off the cost of items of right-of-use assets over their expected useful lives using straight line method. When there is no reasonable certainty that ownership will be obtained by the end of the lease term, the assets are depreciated over the lease term.

The Group does not have the option to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

The carrying amount of lease liabilities was approximately US$85,176 with related right-of use assets was approximately US$321,313 as at March 31, 2021. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

13. INVENTORIES

	2021	2020
	US$	US$
Work in progress	2,242,513	3,372,199

As of March 31, 2021 and 2020, inventories of US$2,000,000 (2020: US$2,000,000) are used as collateral for part of the bank facilities as disclosed in Note (24) to the consolidated financial statements.

14. TRADE AND OTHER RECEIVABLES

	2021	2020
	US$	US$
Trade receivables (note a)		
- Third parties	162,400	898,948
- Related parties (note d)	2,568,750	4,509,034
Other receivable	649,245	57,135
	3,380,395	5,465,117

Note a:	2021	2020
At March 31, the aging analysis of trade receivables that are not impaired is as follow:	US$	US$
Current	31,958	5,080,462
Past due		
Less than 30 days	937,993	160,828
31 to 90 days	1,692,253	152,819
91 to 365 days	-	13,873
Over 365 days	68,946	-
	2,731,150	5,407,982

Note b: Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.

Note c: As of March 31, 2021 and 2020, trade receivables are used as collateral for bank facilities as disclosed in Note (24) to the consolidated financial statements.

Note d: Trade receivables from related parties solely from ordinary business transactions. The amounts are unsecured, interest-free and repayable within credit term.

15. AMOUNTS DUE FROM ULTIMATE HOLDING COMPANY/ FELLOW SUBSIDIARIES

Amounts due from ultimate holding company/fellow subsidiaries disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622) are as follows:

Name of borrower	Outstanding principal		
	At end of year	At beginning of year	Maximum outstanding
	US$	US$	US$
Ultimate holding company			
Pearl Global Industries Ltd. [1]	366,553	257,815	366,553
Fellow subsidiaries			
Pearl Global Vietnam Company Limited [2]	1,768,681	2,257,597	2,257,597
Norp Knit Industries Limited [3]	595,865	-	595,865
Vin Pearl Global Vietnam Limited [3]	118,603	118,603	118,603
	2,483,149	2,376,200	

(1) Connected with common director, Deepak Kumar SETH
(2) Connected with common director, Pulkit SETH
(3) Connected with common directors, Deepak Kumar SETH, Pulkit SETH and Sumit LATH

Principal terms: The amounts due from ultimate holding company/fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayments.

16. CASH AND CASH EQUIVALENTS

	2021	2020
	US$	US$
Cash and bank balances	935,814	541,847

16. CASH AND CASH EQUIVALENTS (CONT'D)

Reconciliation of liabilities arising from financing activities:

	Lease liabilities
	US$
At 1/4/2020	-
Additions	548,880
Financing cash outflows	(463,704)
Finance costs paid	(8,850)
Finance costs	8,850
At 31/3/2021	85,176

17. TRADE AND OTHER PAYABLES

	2021	2020
	US$	US$
Trade payables (note a)		
- Third parties	428,203	576,386
Other payables and accruals		
- Third parties	641,277	1,128,065
- Related party (note b)	15,026	7,960
	656,303	1,136,025
	1,084,506	1,712,411

Note a:	2021	2020
As at March 31, maturity of the trade payables is as follows:	US$	US$
Due for payment:		
Not later than one year	428,203	576,386

Note b: The amount is unsecured, interest-free and has no fixed terms of repayment.

18. AMOUNTS DUE TO IMMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The amounts due to the immediate holding company/fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

19. SECURED BANK BORROWINGS

The carrying amount of the secured bank borrowings at the end of reporting period is analysed as below:

	2021	2020
	US$	US$
Amount repayable within one year		
Discounting bills	1,471,951	3,550,263

20. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

	2021	
	Present value of the minimum lease payments	Total minimum lease payments
	US$	US$
Within 1 year	85,176	85,160
Less: total future interest expenses		16
Present value of lease liabilities		85,176

21. EMPLOYEE BENEFITS OBLIGATION

	2021	2020
	US$	US$
At April 1	494,414	594,630
Charged to operating expenses	32,388	23,294
Charged/(credited) to other comprehensive income	46,806	(123,510)
Payment during the year	(66,378)	-
At March 31	507,230	494,414

22. SHARE CAPITAL

	2021	2020
	US$	US$
Issued and fully paid:		
11,709,844 Ordinary Shares	1,505,121	1,505,121

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

23. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTES	2021	2020
		US$	US$
Non-Current Assets			
Investment in a subsidiary	(23a)	1,049,980	1,049,980
Plant and equipment		244	567
		1,050,224	1,050,547
Current Assets			
Trade and other receivables		697,966	902,014
Trade deposits paid		5,616	18,455
Prepayment		578	578
Amounts due from fellow subsidaries		2,483,149	2,376,200
Amount due from ultimate holding company		366,553	257,815
Cash and cash equivalents		162,024	109,327
		3,715,886	3,664,389
Current Liabilities			
Trade payables		265,978	209,091
Bills payables		1,252,298	425,790
Accrual and other payables		1,460	75,159
Amount due to immediate holding company		1,125,290	1,453,440
Amounts due to fellow subsidiaries		791,154	1,111,571
		3,436,180	3,275,051
Net Current Assets		279,706	389,338
NET ASSETS		1,329,930	1,439,885
EQUITY			
Share capital	(22)	1,505,121	1,505,121
Accumulated losses	(23b)	(175,191)	(65,236)
TOTAL EQUITY		1,329,930	1,439,885

APPROVED BY THE BOARD OF DIRECTORS ON JUNE 3, 2021 AND SIGNED ON BEHALF OF THE BOARD BY:

Deepak Kumar SETH
Director

Pulkit SETH
Director

23. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONT'D)

(a) Investment in a subsidiary

	2021	2020
	US$	US$
Unlisted shares, at cost	1,049,980	1,049,980

Details of the subsidiary are as follows. The class of share hold is ordinary unless otherwise stated.

Name of subsidiary	Place of incorporation and operation	Percentage of equity attributable to the Company		Principal activity
		2021	2020	
PT Pinnacle Apparels *	Indonesia	69.91%	69.91%	Engaged in garment and textiles industry

* Not audited by Louis Lai & Luk CPA Limited

(b) Movement in the reserves of the Company

	Retained earnings/ (Accumulated losses)/
	US$
At April 1, 2019	70,029
Total comprehensive loss for the year	(135,265)
At March 31, 2020 and April 1, 2020	(65,236)
Total comprehensive loss for the year	(109,955)
At March 31, 2021	(175,191)

24. BANKING FACILITIES

General banking facilities granted by the bank were secured by bank accounts, machineries and equipment, inventories, trade receivables, ultimate holding company's and fellow subsidiaries' corporate guarantee and directors' personal guarantee.

25. FINANCIAL INSTRUMENTS

(A) Categories of financial assets and financial liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities.

	2021	2020
	US$	US$
Financial assets		
Financial assets measured as amortised cost		
Trade and other receivables	3,380,395	5,465,117
Trade deposit paid	333,747	157,951
Amounts due from fellow subsidiaries	2,483,149	2,376,200
Amount due from ultimate holding company	366,553	257,815
Cash and cash equivalents	935,814	541,847
	7,499,658	8,798,930

	2021	2020
	US$	US$
Financial liabilities		
Financial liabilities measured as amortised cost		
Trade and other payables	1,084,506	1,712,411
Amount due to immediate holding company	1,125,290	1,453,440
Amounts due to fellow subsidiaries	791,154	1,111,571
Secured bank borrowings	1,471,951	3,550,263
	4,472,901	7,827,685

(B) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, trade and other payables, amount due from/(to) related parties and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

25. FINANCIAL INSTRUMENTS (CONT'D)

(B) Financial risk management objectives and policies (Cont'd)

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties in the ordinary course of its operations.

Trade receivables

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are usually due within 30-90 days from the date of billing. Debtors with balances that are past due are usually requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers. Trade receivables at the reporting date mainly comprise amounts receivable from sales of goods. No interest is charged on the trade receivables.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The directors of the Group are on the opinion that the expected credit loss rate is close to zero as these trade receivables have no recent history of default.

Expected loss rates are based on actual loss experience over the past one year. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

After performing the individual credit evaluations on all customers, no provision for impairment on trade receivables was made during the year.

Other financial assets at amortised cost

As at March 31, 2021, in addition to the cash and bank balances which are considered to have low credit risk, other financial assets at amortised cost of the Group include other receivables and deposits. No provision was made against the gross amount of other receivables, deposits and cash and bank balances because the directors of the Group considered the impact of the ECLs of these financial assets to be insignificant based on past credit history and the nature of these financial assets.

25. FINANCIAL INSTRUMENTS (CONT'D)

(B) Financial risk management objectives and policies (Cont'd)

(b) Foreign currency risk

The Group operates internationally and is primarily exposed to foreign exchange risk arising from currency exposures of the United States dollars, with respect to the Hong Kong dollar. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they related.

	2021 (Expressed in US$)				
	HKD	IDR	GBP	SGD	Total
Cash and cash equivalents	6,723	213,006	144	20	219,893
Trade and other payables	(1,317)	(105,930)	-	-	(107,247)
Lease liability	-	(85,176)	-	-	(85,176)
Net exposure arising from recognised assets and liabilities	5,406	21,900	144	20	27,470

	2020 (Expressed in US$)				
	HKD	IDR	GBP	SGD	Total
Trade and other receivables	2,733	-	-	-	2,733
Cash and cash equivalents	29,469	344,781	135	19	374,404
Trade and other payables	(54,771)	(239,697)	-	-	(294,468)
Net exposure arising from recognised assets and liabilities	(22,569)	105,084	135	19	82,669

25. FINANCIAL INSTRUMENTS (CONT'D)

(B) Financial risk management objectives and policies (Cont'd)

(b) Foreign currency risk (cont'd)

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax in response to reasonably possible changes (e.g.±10%) in the foreign exchange rates to which the Group has significant exposure at the end of reporting period.

	2021		2020	
	Increase	Decrease	Increase	Decrease
	US$	US$	US$	US$
Hong Kong Dollar (HKD)	-	-	-	-
Indonesian Rupiah (IDR)	1,914	(1,914)	8,775	(8,775)
British Pound (GBP)	12	(12)	11	(11)
Singapore Dollar (SGD)	2	(2)	2	(2)
	1,928	(1,928)	8,788	(8,788)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to the Group's exposure to currency risk for the variables.

The stated changes represent Management's assessment of reasonably possible change in foreign exchange rates over the period until the end of next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on Group's profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2020.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

25. FINANCIAL INSTRUMENTS (CONT'D)

(B) Financial risk management objectives and policies (Cont'd)

(d) Interest rate risk

The Group has no significant interest bearing assets except secured bank borrowings. Its expenses and operating cash flows are substantially independent of changes in market interest rates. Carrying amounts of net financial liabilities as at March 31 that exposed to interest rate risks were as follows:

	2021	2020
	US$	US$
Financial assets bearing variable interests:		
Cash and cash equivalents	935,814	541,847
Financial liabilities bearing variable interests:		
Secured bank borrowings	(1,471,951)	(3,550,263)
	(536,137)	(3,008,416)

Sensitivity analysis

At March 31, 2021, it is estimated that a general increase/decrease of 100 basis points in interest rate, with all other variables held constant, interest income and profit before taxation for the year ended March 31, 2021 would increase/decrease by a net amount of US$5,361 (2020: US$30,084). The carrying amount of financial asset/liability measured at amortized cost and the carrying amount of financial asset/liability bearing interest rate measured at fair value would not be affected by the assumed 100 basis points increase/decrease in interest rate.

Although a financial asset or financial liability may be subject to interest rate risk, its carrying amount may not necessarily be affected by the assumed 100 basis points increase in market interest rates.

26. RELATED PARTY TRANSACTIONS

During normal course of business, the Group had the following material transactions with its related parties:

Name of Company	Relationship	Nature of transaction	2021	2020
			US$	US$
Pearl Global Industries Ltd.	Ultimate holding company	Sales	108,737	218,128
		Purchase	-	572,723
Norp Knit Industries Ltd.	Fellow subsidiary	Sales	665,822	184,583
		Purchase	397,177	1,048,112
Pearl Grass Creation Ltd.	Fellow subsidiary	Sales	-	28,084
		Claim and recovery	27,241	128,277
		Management fee income	80,000	103,333
Pearl Global Vietnam Co. Limited	Fellow subsidiary	Sales	7,392,882	6,418,559
		Purchase	-	28,780
Pearl Global Fareast Limited	Fellow subsidiary	Sales	15,787,604	21,949,720
Pearl Global Chang Zhou Textile Technology Co. Ltd.	Fellow subsidiary	Consulting fee	-	27,255

27. NEW AND AMENDMENTS TO HKFRS IN ISSUE BUT NOT YET EFFECTIVE

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[5]
Amendments to HKFRS 10 and its Associate or and HKAS 28	Sale or Contribution of Assets between an Investor Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use2
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[2]

[1] Effective for annual periods beginning on or after January 1, 2023.
[2] Effective for annual periods beginning on or after January 1, 2022.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after June 1, 2020.
[5] Effective for annual periods beginning on or after January 1, 2021.

28. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Company's Board of Directors on June 3, 2021