

MAURIGO PTE. LTD.
(Registration Number: 200612848E)

DIRECTOR'S STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

MAURIGO PTE. LTD.
(Registration Number: 200612848E)

**DIRECTOR'S STATEMENT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

**PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

MAURIGO PTE. LTD.
(Registration Number: 200612848E)

DIRECTOR'S STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

MAURIGO PTE. LTD.

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MAURIGO PTE. LTD.

DIRECTOR'S STATEMENT

The sole director is pleased to present his statement to the member together with the audited financial statements of **MAURIGO PTE. LTD.** (the "company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTOR

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

2. DIRECTOR

The director of the company in office at the date of this statement is:

Modi Rajesh Kumar

3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the director to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

4. DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

The director who held office at the end of the financial year had no interests in the shares of the company or its related corporations as recorded in the register of director' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50.

MAURIGO PTE. LTD.

DIRECTOR'S STATEMENT – cont'd

5. SHARE OPTIONS

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

No shares were issued during the financial year by virtue of the exercise of options to take up unissued of the company.

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

6. INDEPENDENT AUDITOR

The independent auditor, Prudential Public Accounting Corporation, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.



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Modi Rajesh Kumar
Sole director

Date: 30 April 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF MAURIGO PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MAURIGO PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Director' Statement set out on pages 1 and 2.

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

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

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF MAURIGO PTE. LTD. – cont'd**

Responsibilities of Management and Director 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 director's responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MAURIGO PTE. LTD. – cont'd

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd

- (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 director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirement

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.

**PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

Date: 30 April 2021



MAURIGO PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
ASSETS			
Non-current assets			
Investment in subsidiary	(7)	4,937,153	4,137,153
Total non-current assets		4,937,153	4,137,153
Current assets:			
Trade and other receivables	(8)	-	282,500
Cash and cash equivalents	(9)	34,682	74,283
Total current assets		34,682	356,783
Total assets		4,971,835	4,493,936
EQUITY AND LIABILITIES			
Equity			
Share capital	(10)	2,000,001	2,000,001
Retained earnings		2,946,485	2,490,439
Total equity		4,946,486	4,490,440
Current liabilities:			
Other payables	(11)	4,222	3,496
Provision for taxation	(14)	21,127	-
Total current liabilities		25,349	3,496
Total equity and liabilities		4,971,835	4,493,936

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

MAURIGO PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
Revenue	(12)	481,500	294,000
Other income	(13)	98	-
Administrative expenses		<u>(4,425)</u>	<u>(144,889)</u>
Profit before income tax		477,173	149,111
Income tax expenses	(14)	<u>(21,127)</u>	<u>-</u>
Profit for the year		456,046	149,111
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>456,046</u>	<u>149,111</u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

MAURIGO PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Retained earnings	Total
	US\$	US\$	US\$
Balance as at 1 April 2019	2,000,001	2,341,328	4,341,329
Total comprehensive income for the year	-	149,111	149,111
Balance as at 31 March 2020	2,000,001	2,490,439	4,490,440
Total comprehensive income for the year	-	456,046	458,516
Balance as at 31 March 2021	<u>2,000,001</u>	<u>2,946,485</u>	<u>4,946,486</u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

MAURIGO PTE. LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> US\$	<u>2020</u> US\$
Profit before income tax	477,173	149,111
Adjustment for:		
Foreign currency exchange adjustment gain	<u>98</u>	<u>-</u>
Operating profit before working capital changes	477,271	149,111
Trade and other receivables	282,402	321,250
Other payables	<u>726</u>	<u>(1,504)</u>
Cash from operations and operating activities	<u>760,399</u>	<u>468,857</u>
Financing activities:		
Investment in subsidiary	<u>(800,000)</u>	<u>(450,000)</u>
Net cash used in financing activities	<u>(800,000)</u>	<u>(450,000)</u>
Net (decrease)/increase in cash and cash equivalents	(39,601)	18,857
Cash and cash equivalents at beginning of year	<u>74,283</u>	<u>55,426</u>
Cash and cash equivalents balances at end of year	<u><u>34,682</u></u>	<u><u>74,283</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

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

1. GENERAL

Maurigo Pte. Ltd. (the “company”) (Registration number: 200612848E) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at:

60 Paya Lebar,
#12-02, Paya Lebar Square,
Singapore 409051.

The principal activities of the company are those of general wholesale trade (including importers and exports).

The financial statements of the company for the year ended 31 March 2021 were authorised for issue by the Board of Director on 30 April 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements determined on such a basis are disclosed in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company’s accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies

a) Adoption of new and revised FRSs and INT FRSs

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 April 2020. The adoption of these new/ revised FRSs does not result in substantial changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

b) Standards issued but not yet effective

As at the date of the authorisation of these financial statements, the Company has not adopted the following FRSs that have been issued but not yet effective:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1	Amendments FRS 1 Classification of Liabilities as Current or Non-current	1 January 2023
FRS 103	Amendments to FRS 103 Reference to Conceptual Framework	1 January 2022
Various	Annual Improvements to FRSs 2018 – 2020	1 January 2022

The Company expect that the adoption of the above standards, interpretations and improvements, if applicable, will have no material impact on the financial statements in the period of initial application.

2.3 Functional and Foreign currency

(a) Functional currency and presentation currency

The management has determined that the currency of the primary economic environment in which the Company operates (ie. the "functional currency") to be United States dollar. The financial statements of the Company are presented in United States dollar, which is the functional currency of the Company.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting year are recognised in profit or loss.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.4 Subsidiary

Subsidiary is an entity controlled by the company. Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the company's financial statements, investments in the subsidiary is accounted for cost less any impairment losses.

These financial statements are separate financial statements of Maurigo Pte. Ltd. One set of consolidated financial statements of the company and its subsidiary is not prepared as the company itself is a wholly-owned subsidiary of another corporation, which prepares consolidated financial statements available for public use. The registered office of the ultimate holding company, Gokul Agro Resources Limited preparing the consolidated financial statements, is 801 to 805, Dwarkesh Business Hub, Survey No 126/1, Opp Visamo society B/H Atishay Belleview Motera, Ahmedabad 380005, Gujarat, India.

2.5 Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6. Revenue Recognition

Revenue is measured based on the consideration to which the company expects to be entitled in exchange for transferring promised goods or services 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 or service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.6. Revenue Recognition – cont'd

Sale of goods

Revenue from sale of Castor Oil and Refined, Bleached and Deodorized (“RBD”) palm olein is recognized when the company transfers control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risks of ownership or future obligations with respect to the product shipped.

The transaction price is documented on the sales invoice and agreed to by the customer. Payment is generally due at the time of delivery, as such a receivable is recognized as the consideration is unconditional and only the passage of time is required before payment is due.

2.7 Income Taxes

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

(a) Current tax

The tax currently payable is based on taxable profits for the year. Taxable profits differ from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

(b) Deferred tax

Deferred tax is provided, using the balance sheet liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.7 Income Taxes – cont'd

(b) Deferred tax – cont'd

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Related Party

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or of a parent of the company.

- b) An entity is related to a company if any of the following conditions applies:
 - (i) the entity and the company are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to the others;
 - (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 company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

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.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.8 Related Party – cont'd

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transactions and outstanding balances disclosed in the financial statements are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

2.9 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.11 Event after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Effective Interest Method

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

3.1 Financial Assets

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the financial instruments.

a) Classification of financial assets

Financial assets are classified, at initial recognition, as either measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

a) Classification of financial assets – cont'd

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commit to purchase or sell the asset.

For purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost.
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

b) Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include trade receivables, and other financial assets that held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

The Company has balances of trade receivables and cash and cash equivalents that are held within a business model, whose objective is collecting contractual cash flows. Trade receivables and cash and cash equivalents are classified as financial assets at amortised cost under FRS 109.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

b) Financial assets at amortised cost – cont'd

i) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequent measured at amortised cost using the effective interest rate method, less all allowances for impairment.

ii) Cash and cash equivalents

Cash and cash equivalents comprise the total amount of money held at the bank by the Company.

Other than financial assets at amortised cost, the company does not designate any financial assets under any other category under FRS 109.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:-

- i) 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 months ECL).
- ii) For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables and contract assets, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Company also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

d) Derecognition of financial assets

A financial asset is primary derecognised when:

- i) the rights to receive cash flows from the asset have expired or,
- ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes form of guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.2 Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

Ordinary share capital is classified as equity.

b) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instruments. The company determines the classification of its financial liabilities at initial recognition.

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

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

b) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instruments. The company determines the classification of its financial liabilities at initial recognition.

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

Financial liabilities carried at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Financial liabilities at amortised cost are classified within "other payables" on the statement of financial position.

i) Other payables

Other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

b) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instruments. The company determines the classification of its financial liabilities at initial recognition.

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

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

4.1 Critical judgement in applying the company's accounting policies

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is 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 may 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 estimates 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.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND KEY SOURCE OF ESTIMATION UNCERTAINTY – cont'd

4.1 Critical judgement in applying the company's accounting policies – cont'd

(a) Income taxes

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated 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 recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(b) Determination of functional currency

The company measures foreign currency transactions in the functional currency of the company. In determining the functional currencies of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency is determined based on management's assessment of the economic environment in which the entity operates and the entity's process of determining sales prices.

4.2 Key Sources of Estimation Uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that 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:

(a) Provision for expected credit losses of trade receivables

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

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(b) Provision

Provisions are recognised in accordance with the accounting policy in Note 2.10. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND KEY SOURCE OF ESTIMATION UNCERTAINTY – cont'd

4.2 Key Sources of Estimation Uncertainties – cont'd

(c) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

5.1 Categories of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities included in the statement of financial position, the categories and the headings in which they are included are as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Financial assets		
<u>At amortised costs:</u>		
- Trade and other receivables	-	282,500
- Cash and cash equivalents	34,682	74,283
	<u>34,682</u>	<u>356,783</u>
Financial liabilities		
<u>At amortised costs:</u>		
- Other payables	4,222	3,496
	<u>4,222</u>	<u>3,496</u>

Further quantitative disclosures are included throughout these financial statements.

5.2 Financial Risk Management Policies and Objectives

The Company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The Company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The company's exposure to credit risk arises primarily from loan to subsidiary, trade receivables and cash and cash equivalents. The company transacts only with recognised and creditworthy counterparties. The Company place its cash deposits with reputable banks and financial institutions.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

5.2 Financial Risk Management Policies and Objectives – cont'd

(a) Credit risk – cont'd

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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

- a) credit rating information supplied by publicly available financial information;
- b) existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations and
- c) significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if the counterparty is more than 30 days past due in making contractual payment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

5.2 Financial Risk Management Policies and Objectives – cont'd

(a) Credit risk – cont'd

Credit impaired

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the counterparty;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Default event

The Company considers a financial asset in default when the counterparty fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the the counterparty is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due.

Financial assets are written off (either partially or in full) to the extent that there is no reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

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

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)	Basis for calculating interest revenue
Grade I (Performing)	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected credit losses.	Gross carrying amount.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

5.2 Financial Risk Management Policies and Objectives – cont'd

(a) Credit risk – cont'd

The Company's current credit risk grading framework comprises the following categories: (cont'd)

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)	Basis for calculating interest revenue
Grade II (Under performing)	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses.	Gross carrying amount.
Gross III (Default)	Interest and/or principal repayments are 90 days past due.	Lifetime expected credit losses.	Amortised cost of carrying amount (net of credit allowance)
Write-off	Interest and/or principal is more than 365 days past due or there is evidence indicating the counterparty is in severe financial difficulty and there is no reasonable expectation of recovery	Amount is written off	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

The following are quantitative and qualitative information about amounts arising from expected credit losses for trade receivables.

- Impairment on trade receivables

The Company assessed on 1 April 2020, the credit risk of trade receivables and decide that it is unfit to provide expected credit loss because the debt not yet past due. Therefore, it is concluded that there has been no change in the credit risk since the last assessment on 1 April 2020.

Trade receivables are considered to be a low credit risk and credit risk for these assets has not increased significantly since their initial recognition. Accordingly, the Company measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant.

Concentration of credit risk

At the reporting date, the company has no significant concentration of credit risk.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT – cont'd

5.2 Financial Risk Management Policies and Objectives – cont'd

(a) Credit risk – cont'd

Financial assets that are neither past due nor impaired

Cash and cash equivalents that are neither past due or impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

(b) Foreign exchange risk

Foreign currency exchange rate risk arose from the change in foreign currency exchange rates that may have an adverse effect on the company in the current reporting year and in the future years.

The company transacts almost entirely in United States dollar.

Therefore, the company's exposure to foreign currency exchange rate risk is minimal and hence no sensitivity analysis has been prepared.

(c) Liquidity risk

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to receive or pay.

2021	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows		
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	Total US\$
Financial liabilities					
Non-derivative financial liabilities at amortised cost:					
- Other payables	-	4,222	4,222	-	4,222

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.2 Financial Risks Management Policies and Objectives - cont'd

(c) Liquidity risk – cont'd

2020	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows		
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	Total US\$
Financial liabilities					
Non-derivative financial liabilities at amortised cost:					
- Trade and other payables	-	<u>3,496</u>	<u>3,496</u>	<u>-</u>	<u>3,496</u>

(d) Fair value of financial assets and financial liabilities

i) Estimation of fair values

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models and option pricing models as appropriate.

Management considers that the carrying amounts of trade and other receivables, cash and cash equivalents, other payables and long-term borrowings that are repriced to market rate, recorded at amortised cost in these financial statements approximate their fair values.

ii) Fair value measurement

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.3 Capital Risk Management Policies and Objectives

The company manages its capital to ensure that the company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders and obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	<u>2021</u> US\$	<u>2020</u> US\$
Other payables	4,222	3,496
Less: Cash and cash equivalents	<u>(34,682)</u>	<u>(74,283)</u>
Net debt	(30,460)	(70,787)
Total equity	<u>4,946,486</u>	<u>4,490,440</u>
Total capital	<u>4,916,026</u>	<u>4,419,653</u>
Gearing ratio	<u>N.M</u>	<u>N.M</u>

N.M: Not meaningful

The company is not subject to externally imposed capital requirements.

The company will continue to monitor economic conditions in which its operates and will make adjustments to its capital structure where necessary.

6. HOLDING COMPANY TRANSACTIONS

The company is a wholly owned subsidiary of Gokul Agro Resources Limited, incorporated in India.

Some of the company's transactions and arrangements are between members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements.

7. INVESTMENT IN SUBSIDIARY

	<u>2021</u> US\$	<u>2020</u> US\$
Unquoted equity shares at cost	<u>4,937,153</u>	<u>4,137,153</u>

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. INVESTMENT IN SUBSIDIARY – cont'd

<u>Name of subsidiary</u>	<u>Place of business and country of incorporation</u>	<u>Principal activity</u>	<u>Proportion of ownership interest</u>		<u>Proportion of voting power held</u>	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			%	%	%	%
Riya International Pte Ltd	Singapore	Imports and exports	100	100	100	100

Riya International Pte. Ltd. is audited by Prudential Public Accounting Corporation.

(a) Acquisition additional shares

During the financial year the subsidiary allotted and issued 800,000 ordinary shares. The company acquired the entire issued shares of the subsidiary for a cash consideration of US\$800,000.

During the previous financial year the subsidiary allotted and issued 450,000 ordinary shares. The company acquired the entire issued shares of the subsidiary for a cash consideration of US\$450,000.

(b) Impairment test

As at the end of the reporting period, the Company carried out a review on the recoverable amount of its investment in subsidiary. The review revealed no impairment in value required during the financial year. The recoverable amount of the relevant investment in subsidiary has been determined on the basis of their net assets values at the end of the reporting period as in the opinion of the management of the Group, the net assets values of this subsidiary reasonably approximate the fair values less costs to sell.

(c) Others

One set of consolidated financial statements of the company and its subsidiaries is not prepared as the company itself is a wholly-owned subsidiary of another corporation, which prepares consolidated financial statements available for public use. The registered office of the ultimate holding company, Gokul Agro Resources Limited preparing the consolidated financial statements, is 801 to 805, Dwarkesh Business Hub, Survey No 126/1, Opp Visamo society B/H Atishay Belleview Motera, Ahmedabad 380005, Gujarat, India.

8. TRADE AND OTHER RECEIVABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Trade receivables – third parties	-	82,500
Other receivables – subsidiary (Note 7)	-	200,000
	<u>-</u>	<u>282,500</u>

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days' (2020: 30 to 60 days') credit terms. They are recognised at their original invoices amounts, which represent their fair value on recognition. The company does not hold any collateral over these balances as these receivables are mainly arising from customers that have a good payment record with the company. Based on the historical default rates the company believes the debts are collectible.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. TRADE AND OTHER RECEIVABLES – cont'd

Analysis of trade receivables as at end of the reporting period is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Neither past due nor impaired	-	82,500
<u>Past due but no impaired</u>		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
	<u>-</u>	<u>82,500</u>

9. CASH AND CASH EQUIVALENTS

	<u>2021</u> US\$	<u>2020</u> US\$
Cash in hand	622	622
Cash at banks	<u>34,060</u>	<u>73,661</u>
	<u>34,682</u>	<u>74,283</u>

Cash and bank balances comprise cash held by the company and short-term bank deposits which earn interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents are denominated in the following currencies:

	<u>2021</u> US\$	<u>2020</u> US\$
United States dollar	29,506	68,248
Singapore dollar	<u>5,176</u>	<u>6,035</u>
	<u>34,682</u>	<u>74,283</u>

10. SHARE CAPITAL

	<u>2021</u> <u>Number of ordinary shares</u>	<u>2020</u> <u>Number of ordinary shares</u>	<u>2021</u> US\$	<u>2020</u> US\$
Issued and fully paid:				
At beginning of year and at end of year	<u>2,760,295</u>	<u>2,760,295</u>	<u>2,000,001</u>	<u>2,000,001</u>

The fully paid ordinary shares which have no par value, carry one vote per share and a right to dividend as and when declared by the company.

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

11. OTHER PAYABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Accruals	<u>4,222</u>	<u>3,496</u>

12. REVENUE

Revenue represents invoiced value of goods sold and delivered excluding goods and service tax and income from washout transactions. Revenue is recognized at a point in time.

13. OTHER INCOME

	<u>2021</u> US\$	<u>2020</u> US\$
Foreign currency exchange gain	<u>98</u>	<u>-</u>

14. INCOME TAX EXPENSES

	<u>2021</u> US\$	<u>2020</u> US\$
Current year's income tax	<u>21,127</u>	<u>-</u>

Reconciliation between the tax credit and the product of accounting profit multiplied by the applicable tax rate is as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Profit before income tax	<u>477,173</u>	<u>149,111</u>
Income tax expense at statutory rate at 17% (2020: 17%)	81,119	25,349
Effect of:		
- Taxable items	-	22,951
- Utilisation of tax losses	(47,203)	(48,300)
- Tax exemption	(12,789)	-
	<u>21,127</u>	<u>-</u>

MAURIGO PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. INCOME TAX EXPENSES – cont'd

Unrecognised deferred tax asset

At the reporting date, the company has unutilised tax losses carry forward available for offsetting against future taxable income as follows:

	<u>2021</u> US\$	<u>2020</u> US\$
Amount at beginning of year	277,665	561,783
Amount utilised in current year	<u>(277,665)</u>	<u>(284,118)</u>
Amount at end of year	<u>-</u>	<u>277,665</u>
Deferred tax benefit on above unrecorded at 17% (2020: 17%)	<u>-</u>	<u>47,203</u>

The unrecognised tax losses could be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements including the retention of majority shareholders as defined.

The deferred tax benefits of the tax losses carried forward have not been recognised in the financial statements because it is not probable that the future taxable profit will be available against which the company can utilise the benefits thereon.

15. CONTINGENT LIABILITY

The company has given a corporate guarantee to a financial institution for the borrowings of its subsidiary. No liability is expected to arise from the above guarantees given. The fair value of the above financial guarantees is not recognised as it is considered not material.

16. IMPACT OF COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in cross-border closures, production disruption, workplace closures, movement controls and other measures imposed by the various governments. The company's significant operations are in Indonesia, Malaysia and India, all of which have been affected by the spread of COVID-19 in 2021.

Set out below is the impact of COVID-19 on the company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

- The company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate;
- In 2021, border closures, production disruptions and workplace closures have resulted in periods where the company's operations were temporarily suspended to adhere to the respective governments' movement control measures. However, these have no impact on business operations, volume and the company's financial performance for 2021;
- The company has considered the market conditions (including the impact of COVID-19) as at the end of the reporting period, in making estimates and judgements on the recoverability of assets and provision for inventories as at 31 March 2021; and

MAURIGO PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED****16. IMPACT OF COVID-19 – cont'd**

Set out below is the impact of COVID-19 on the company's financial performance reflected in this set of financial statements for the year ended 31 March 2021: (cont'd)

- As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the company cannot reasonably ascertain the full extent of the probable impact of the COVID- 19 disruptions on its operating and financial performance for the financial year ending 31 March 2022. If the situation persists beyond management's current expectations, the company's assets may be subject to write downs in the subsequent financial periods.

Management believes that company is adequately positioned and is flexible to adopt to new circumstances from time to time. It has strong relationship with its creditors, suppliers and banks, continues having access to customers to supply of goods and line of credit without significant interruptions.

17. EVENTS AFTER REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen in the interval between the end of the financial period and the date of authorisation for the issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

MAURIGO PTE. LTD.

DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> US\$	<u>2020</u> US\$
Revenue	481,500	294,000
Add: Other income		
Foreign currency exchange adjustment gain	<u>98</u>	<u>-</u>
	481,598	294,000
Less: Operating expenses		
Administrative expenses		
Audit fees		
- Current year's provision	2,000	2,000
- Prior year's under provision	720	-
Bank charges	529	723
Brokerage expenses	-	1,246
Foreign currency exchange adjustment loss	-	1,036
Penalty	-	22,342
Printing and stationary	373	80
Professional fees	803	3,799
Secretarial fee	-	998
Withholding tax	-	112,665
	<u>(4,425)</u>	<u>(144,889)</u>
Profit before income tax	<u>477,173</u>	<u>149,111</u>

The schedule does not form part of the statutory financial statements.