RA.7342

RIYA INTERNATIONAL PTE. LTD.

(Registration Number: 201525423R

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

RIYA INTERNATIONAL PTE. LTD.
(Registration Number: 201525423R)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

RIYA INTERNATIONAL PTE. LTD.

(Registration Number: 201525423R)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

RIYA INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS **PAGE**

RIYA INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of **RIYA INTERNATIONAL PTE. LTD.** (the "company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

(a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2021, and of the financial performance, changes in equity and cash flows of the company for the financial year ended 31 March 2021; 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. DIRECTORS

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

Modi Shirishkumar Jagdishbhai
Thakkar Jayesh Kanubhai

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF 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 directors to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year, had no interest in the shares of the Company and its related corporation as recorded in the register of directors' shareholding required to be kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 except as stated below:

	Number of ordinary equity shares of Rs. 2.00 per share registered in the name of the director	
Names of Directors & Corporation in which interests are held	At beginning of year	At end of year
Thakkar Jayesh Kanubhai (Ultimate holding company.)	14,512,379	14,512,379

RIYA INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT – cont'd

1. **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.

2. **INDEPENDENT AUDITOR**

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

On behalf of the Directors

....	....
Modi Shirishkumar Jagdishbhai Director	Thakkar Jayesh Kanubhai Director

Date: 30 April 2021

Prudential public accounting corporation

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **RIYA INTERNATIONAL 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 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 Directors' 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.

...2/-

17 Phillip Street, #05-02 Grand Building, Singapore 048695. Tel: 6438 7777 / 6538 7777 Fax: 6533 3227
Email: office@prudenpractice.com *Co. Reg. No. 200402853W Incorporated in Singapore with limited liability*

p

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

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

...3/-

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RIYA INTERNATIONAL 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory 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 PAC

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

Date: 30 April 2021

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION * PUBLIC ACCOUNTANTS & CHARTERED ACCOUNTANTS

RIYA INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 US$	2020 US$
ASSETS			
Non-current assets			
Property, plant and equipment	(7)	**77,224**	41,330
Total non-current assets		**77,224**	41,330
Current assets:			
Trade and other receivables	(8)	**32,320,760**	10,981,378
Other current assets	(9)	**284,854**	2,284,807
Derivative financial instruments	(10)	**317,967**	9,658
Cash and cash equivalents	(11)	**12,233,032**	12,039,722
Total current assets		**45,156,613**	25,315,565
Total assets		**45,233,837**	25,356,895
EQUITY AND LIABILITIES			
Equity			
Share capital	(12)	**4,350,000**	3,550,000
Retained earnings		**2,601,181**	1,703,430
Total equity		**6,951,181**	5,253,430
Non-current liabilities:			
Lease liabilities – non-current portion	(13)	**26,972**	-
Current liabilities:			
Lease liabilities – current portion	(13)	**45,155**	27,466
Trade and other payables	(14)	**31,982,557**	14,895,184
Borrowings	(15)	**5,909,366**	5,051,617
Derivative financial instruments	(10)	**164,212**	49,198
Income tax payable	(20)	**154,394**	80,000
Total current liabilities		**38,255,684**	20,103,465
Total liabilities		**38,282,656**	20,103,465
Total equity and liabilities		**45,233,837**	25,356,895

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

RIYA INTERNATIONAL PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 US$	2020 US$
Revenue	(16)	**293,251,022**	186,552,564
Cost of sales		**(290,941,691)**	(184,171,808)
Gross profit		**2,309,331**	2,380,756
Other income	(17)	**158,035**	165,499
Administrative expenses		**(800,807)**	(1,675,724)
Finance cost	(18)	**(482,850)**	(199,338)
Other expenses		**(110,931)**	(74,952)
Profit before income tax		**1,072,778**	596,241
Income tax expenses	(19)	**(175,027)**	(66,006)
Profit for the year	(20)	**897,751**	530,235
Other comprehensive income		**-**	-
Total comprehensive income for the year		**897,751**	530,235

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

RIYA INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Share capital	Retained earnings	Total
		US$	US$	US$
Balance as at 1 April 2019		3,100,000	1,173,195	4,273,195
Transaction with owners, recognised directly in equity: contributions by owners				
- Issue of new shares	(12)	450,000	-	450,000
Total comprehensive income for the year		-	530,235	530,235
Balance as at 31 March 2020		3,550,000	1,703,430	5,253,430
Transaction with owners, recognised directly in equity: contributions by owners				
- Issue of new shares	(12)	800,000	-	800,000
Total comprehensive income for the year		-	897,751	897,751
Balance as at 31 March 2021		4,350,000	2,601,181	6,951,181

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

RIYA INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 US$	2020 US$
Cash flows from operating activities:		
Profit before income tax	**1,072,778**	596,241
Adjustment for:		
Depreciation on property, plant and equipment	**54,472**	56,792
Foreign currency exchange adjustment gain	**1,498**	(2,084)
Fair value loss on derivative	**(193,295)**	(82,339)
Interest income	**(121,051)**	(163,871)
Interest expenses	**482,305**	199,338
Operating profit before working capital changes	**1,296,707**	604,077
Trade and other receivables	**(21,339,382)**	(8,112,532)
Other current assets	**1,999,953**	(1,275,322)
Trade and other payables	**17,087,373**	13,508,203
Cash (used in)/from operations	**(955,349)**	4,724,426
Income tax paid	**(100,633)**	(21,006)
Net cash (used in)/from operating activities	**(1,055,982)**	4,703,420
Investing activities:		
Acquisition of property, plant and equipment	**(1,145)**	(391)
Interest received	**121,051**	163,871
Net cash from investing activities	**119,906**	163,480
Financing activities:		
Proceeds from issue of new shares	**800,000**	450,000
Interest paid	**(482,305)**	(199,338)
Fixed deposits, restricted	**(235,160)**	(10,000,000)
Borrowings		
- Proceeds	**148,296,794**	40,133,210
- Repayment	**(147,439,045)**	(35,081,593)
Repayment of finance lease	**(46,058)**	(48,506)
Net cash from/(used in) financing activities	**894,226**	(4,746,227)
Net (decrease)/increase in cash and bank balances	**(41,850)**	120,673
Cash and bank balances at beginning of year	**2,039,722**	1,919,049
Cash and bank balances at end of year	**1,997,872**	2,039,722

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

RIYA INTERNATIONAL 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

Riya International Pte. Ltd. (the "company") (Registration number: 201525423R) 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 Road, #12-02
Paya Lebar Square
Singapore 409051

The principal activities of the company are those of general wholesale imports and exports of agricultural products.

The financial statements of the company for the financial year ended 31 March 2021 were authorised for issue by the Board of Directors 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.

RIYA INTERNATIONAL 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 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 effective for annual periods beginning on or after 1 April 2020. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements, except as discussed below:

i) FRS 1 and FRS 8 Definition of Material (Amendments)

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence';
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in FRS 1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the company's financial statements upon adoption.

ii) FRS 103 Definition of Business (Amendments)

The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

There is no impact to the company's financial statements as there is no business combinations or asset acquisitions during the financial year.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies – cont'd

a) Adoption of new revised FRSs and INT FRSs – cont'd

iii) Revised Conceptual Frame Work for Financial Reporting

The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific FRS requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some FRS, their accompanying documents and FRS practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in FRS, issued together with the revised Conceptual Framework, sets out updates to FRS, their accompanying documents and FRS practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the company's financial statements upon adoption.

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 and INT FRSs that have been issued but not yet effective:

Reference	Description	Effective for annual periods beginning on or after
FRS 116	Amendments to FRS116 - Covid-19 Related Rent Concessions	1 June 2020
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: - Amendments to FRS 101 – First-Time Adoption of Financial Reporting - Amendments to FRS 109 – Financial Instruments - Amendments to Illustrative Examples Accompanying FRS 116 - Leases	1 January 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

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, except as described below:

i) Amendment to FRS 116 Covid-19-Related Rent Concessions

On 28 May 2020, the ASC issued Covid-19-Related Rent Concessions - amendment to FRS 116 Leases - Covid-19-Related Rent Concession. The amendments provide relief to lessees from applying FRS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under FRS 116, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

The Company has assessed and there is no material impact to its financial statements.

ii) Amendment to FRS 1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the company's financial statements on initial application.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

iii) Amendments to FRS 103 Reference to the Conceptual Framework

The amendments update FRS 103 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of FRS 37, the acquirer shall apply FRS 37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of FRS INT 121 Levies, the acquirer shall apply FRS INT 121 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the company's financial statements on initial application.

iv) Annual Improvements to FRS 2018-2020

FRS 109 Financial Instruments: Fees in the '10 per cent' Test for Derecognition

This amendment clarifies that, in applying the derecognition test for financial liabilities under paragraph B3.3.6 of FRS109, a borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company do not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards.

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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.3 Functional and Foreign currency – cont'd

(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.

2.4 Property, plant and equipment

a) Measurement

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

b) Components of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

c) Depreciation

Depreciation was calculated on the straight-line method and to write off the cost of the assets over their estimated useful lives as follows:-

	Years
Computers	3
Furniture and fittings	5
Right-of-use assets	3

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.4 Property, plant and equipment

c) Depreciation – cont'd

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. Furniture and fittings includes artwork which mainly consists of canvas painting. Artwork is not depreciated and is stated at cost.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the statement of comprehensive income during the financial year in which it is incurred.

e) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

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.

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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.5 Impairment of Non-Financial Assets – cont'd

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 Government Grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.7 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.

a) Sale of goods

Revenue from sale of palm oil, soya bean oil and soya bean meal are 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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.7 Revenue Recognition – cont'd

b) Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

c) Government grants

Cash grants received from government are recognised as income upon receipt

2.8 Employee benefits

a) Defined Contribution Plan

Payments to defined contribution plans (including state - managed retirement benefit schemes such as Singapore Central Provident Fund) are charged as an expense as they fall due.

b) Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. No provision is made for the estimated liability for annual leave as it is the company's policy to forfeit all unutilised annual leave as at the end of reporting period.

2.9 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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.9 Income Taxes – cont'd

(b) Deferred tax – cont'd

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.

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.

2.10 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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.10 Related Party – cont'd

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.

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.

2.11 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.

2.12 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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.13 Leases

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

As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

Lease liabilities

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

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

The company's lease liabilities are disclosed in Note 13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.13 Leases – cont'd

Short-term leases and leases of low-value assets

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

2.14 Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

2.15 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.

RIYA INTERNATIONAL 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 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.

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 and other 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.

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

b) Financial assets at amortised cost – cont'd

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 and other receivables and cash and cash equivalents that are held within a business model, whose objective is collecting contractual cash flows.

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. An allowance for impairment of other receivables is made on the expected credit loss, which are the present value of the cash short falls over the expected life of the other receivables.

ii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit and loss statement.

Other than financial assets at amortised cost and financial assets at fair value through profit or loss, the company does not designate any financial assets under any other category under FRS 109.

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

d) 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.

e) 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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

e) Derecognition of financial assets – cont'd

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 ccompany 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 the Company becomes a party to the contractual provision for the financial instrument. The measurement of financial liabilities depends on their classification as either financial liabilities "at fair value through profit or loss" or "other financial liabilities at amortised costs".

i) 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 "trade and other payables" and "borrowings" on the statement of financial position.

Trade and other payables

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

Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loans using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position. Other loans due to be settled more than twelve months after the end of the reporting period are included in non-current liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2 Equity and Financial Liabilities – cont'd

b) Financial liabilities – cont'd

ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit and loss statement.

The Company uses derivative financial instruments to mitigate against risks associated with commodity price fluctuations. It is the Company's policy not to use derivative financial instruments for speculative purposes.

c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the carrying amounts is recognised in the profit and loss.

3.3 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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.

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from the COVID-19 pandemic have been considered when applying estimates and assumptions in the preparation of the financial statements, including the company's assessment of impairment of assets. Given the uncertainty of the impact of COVID-19, the actual results may differ from these accounting estimates.

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.

(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.

(c) Revenue – gross presentation

For the sale of palm oil, soya bean oil and soya bean meal, the company assesses its sales arrangements to determine if it acts as a principal or an agent. In determining whether the company acts as a principal, the company considers factors such as if the company has primary responsibility for providing the goods or services to the customer, bears inventory risks before or after the customer order during shipping or on return, has latitude in establishing prices either directly or indirectly, and bears the customer's credit risks for the amount receivable from the customers.

The company has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the company acts as a principal and so accounts the revenue as gross presentation in the statement of profit or loss and other comprehensive income. The company's revenue from the sale of commodity products is disclosed in Note 16 to the financial statements.

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

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) Impairment of property, plant and equipment

The company reviews the carrying amounts of the assets as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposal of such assets, require the company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the company's financial condition and results of operations.

(c) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charges and consequently affect the company's result.

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

(d) Determining the lease term

As explained in Note 2.13, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the company, the company evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the company to exercise the option, including favourable terms leasehold improvements undertaken and the importance of that underlying asset to the company's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the company's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years

(e) Estimation of incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the company "would have paid", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain lease period specific estimates.

(f) Provision

Provisions are recognised in accordance with the accounting policy in Note 2.11. 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.

(g) 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.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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:

	2021 US$	2020 US$
Financial assets		
Fair value through profit or loss		
- Derivative financial instruments	**317,967**	9,658
At amortised costs:		
- Trade and other receivables	**32,320,760**	10,981,378
- Other current assets	**284,854**	2,284,807
- Cash and cash equivalents	**12,233,032**	12,039,722
	45,156,613	25,315,562
Financial liabilities		
Fair value through profit or loss:		
- Derivative financial instrument	**164,212**	49,198
At amortised costs:		
- Borrowings	**5,909,366**	5,051,617
- Trade and other payables	**31,982,557**	14,895,184
- Lease liabilities	**72,127**	27,466
	38,138,262	20,023,465

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 risk that counterparty will default on their obligations to repay amounts owing to the company resulting in a loss to the company. The carrying amount of cash and bank balances, trade and other receivables represents the company's maximum exposure to credit risk in relation to financial assets.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT – CONT'D

5.3 Financial Risk Management Policies and Objectives – cont'd

a) Credit risk – cont'd

i) Trade and other receivables

Trade receivables

The company manages its exposure to credit risk arising from sales of palm oil, soya bean oil and soya bean meal to its ultimate holding company and external parties through credit evaluation, credit limits and debt monitoring procedures on an ongoing basis. Where appropriate, the company obtains advance payment or letters of credits for all customers including related parties. The management regularly reviews collectability and aging of the outstanding receivables and allowances for doubtful debts will be made if there are doubts over collectability.

The significant concentration of credit risk arose from a ultimate holding company which represents 80% (2020: 36%) of the total gross trade receivables of the company at the end of the reporting period. The company adopts a pro-active approach in its credit evaluation process, credit policies and credit control as well as collection procedures to manage risk arising from the concentration of its credit exposure.

The company applies the FRS 109 simplified approach in measuring expected credit loss using a life time expected credit loss provision for all trade receivables. The expected credit loss rates are based on the company's historical credit losses experienced over the twelve months period prior to the current period end. Management has assessed that there is no requirement for disclosure of provision matrix to calculate expected credit loss on the trade receivables as at end of the reporting date, as there is no probability of insolvency or significant financial difficulties of the debtor or significant delay in payments.

Other receivables

The concentrations of credit risk from other receivables arose from third parties. Ongoing credit evaluation is performed on the financial condition of the related parties, credit exposure is controlled by counterparty limits that are reviewed and approved by the management. Based on the past experience the management believes that no impairment of allowances is necessary in respect of amounts due from related parties due to good payment track record of its related parties.

ii) Cash and cash equivalents

The company's cash and cash equivalents as detailed in Note 11 to the financial statements, are held in major financial institutions which are regulated and located in Singapore, which the management believes are of high credit quality. The management does not expect any losses arising from non-performance by these counterparties. The main purpose of these financial instruments is to finance the company's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors' resolutions, with banking mandates, which define the permitted financial instruments and facilities limits, all of which are approved by the Board of Directors. All financial transactions require dual signatories.

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

5.2 Financial Risk Management Policies and Objectives – cont'd

b) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company's results in the current reporting year and in future years. Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has cash and cash equivalents that are non-interest bearing therefore has insignificant exposure to cash flow interest rate risk. The company has trust receipt that are at variable rate and therefore is exposed to cash flow interest rate risk.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity management section of this note.

Interest rate sensitivity

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rate had been 50 basis points lower/higher and all other variables were held constant, the company's profit for the year ended 31 March 2021 would increase/decrease by **US$63,284** (2020: US$9,756). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

c) 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 period and in the future years.

The company transacts mainly in United States dollars. Foreign currency exchange rate exposures are naturally hedged as both trade payments and receipts are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate are as follows:

	Malaysia ringgit 2021	**Malaysia ringgit 2020**
	US$	**US$**
Financial assets		
Other current assets	-	2,024,319
Net exposure	-	2,024,319

RIYA INTERNATIONAL 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

c) Foreign exchange risk – cont'd

Sensitivity analysis

The analysis is prepared assuming the amount of liability outstanding at the end of reporting period was outstanding for the whole year. A 10% increase or decrease is used when reporting foreign exchange rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

A 10% strengthening of United States dollar against the following currencies would increase/(decrease) profit or loss by the amount shown below:

	2021 US$	2020 US$
MYR impact	-	202,432

A 10% weakening of United States dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

d) Commodity price risk

Commodity price risk arose from the change in commodity prices that may have an adverse effect on the company in the current reporting period and in the future years.

The Company uses commodity derivative instruments from time to time to manage exposure to price volatility on a portion of its palm oil and soya bean oil, and it also uses firm commitments for the purchase or sale of palm oil and soya bean oil. These contracts meet the definition of a derivative instrument and all derivative financial instruments are recognized at their current fair value as either assets or liabilities in the stamen of financial position. All derivatives are measured at fair value through profit or loss.

No commodity price sensitivity analysis is prepared as effect of changes in commodity prices would be immaterial to the Company.

e) 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.

RIYA INTERNATIONAL 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

e) Liquidity risk – cont'd

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	Contractual undiscounted cash flows: Within 1 year or repayable on demand	Within 2 to 5 years	Total
		US$	US$	US$	US$
Financial liabilities					
Non-derivative financial liabilities at amortised cost:					
- Lease liabilities	3	72,127	46,701	27,243	73,944
- Borrowings	3.70	5,909,366	5,909,366	-	5,909,366
- Trade and other payables	-	31,982,557	31,982,557	-	31,982,557
		37,964,050	37,938,624	27,243	37,965,867
Derivative financial liabilities:					
- Derivative financial instruments	-	164,212	164,212	-	164,212

2020	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows: Within 1 year or repayable on demand	Within 2 to 5 years	Total
		US$	US$	US$	US$
Financial liabilities					
Non-derivative financial liabilities at amortised cost:					
- Lease liabilities	3	27,466	27,667	-	27,667
- Borrowings	2.86	5,051,617	5,051,617	-	5,051,617
- Trade and other payables	-	14,895,184	14,895,184	-	14,895,184
		19,974,267	19,974,468	-	19,974,468
Derivative financial liabilities:					
- Derivative financial instruments	-	49,198	49,198	-	49,198

f) Fair Value of Financial Instruments

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.

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

f) Fair Value of Financial Instruments – cont'd

i) Estimation of fair values – cont'd

Management considers that the carrying amounts of trade receivables, cash and cash equivalents, trade and 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

(b) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Cash-settled commodity contracts ("cash-settled contracts"), which include commodity futures, over-the-counter derivatives, and commodity forward agreements. In rare circumstances the company may deliver physical commodities to settle these contracts.

Financial assets / Financial liabilities	Fair Value (US$)				Fair Value Hierarchy	Valuation technique(s) and key input(s)
	2021		2020			
	Assets	Liabilities	Assets	Liabilities		
Derivative financial instruments						
Commodities forward agreements	**317,967**	**(164,212)**	9,658	(49,198)	Level 3	Forward price curve Premium for quality and location Discount for quality and location

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, obtain new borrowings or redemption of borrowings.

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.3. Capital Risk Management Policies and Objectives – cont'd

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and 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.

	2021 US$	2020 US$
Lease liabilities	**72,127**	27,466
Trade and other payables	**31,982,557**	14,895,184
Borrowings	**5,909,366**	5,051,617
Less: Cash and cash equivalents	**(12,233,032)**	(12,039,722)
Net debt/(cash)	**25,731,018**	7,934,545
Total equity	**6,951,181**	5,253,430
Total capital	**32,682,199**	13,187,975
Gearing ratio	**79%**	60%

The company is not subject to externally imposed capital requirements.

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

6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The company is the wholly owned subsidiary of Maurigo Pte. Ltd., a company incorporated in Singapore. The company's ultimate holding company is Gokul Agro Resources Ltd., incorporated in India.

Many of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest free and repayable on demand.

a) During the financial year, the company entered into the following transaction with related parties:

	2021 US$	2020 US$
Ultimate holding company		
Reimbursement of freight charges	**4,066,380**	-
Sales	**233,536,623**	67,985,796

Sale of goods to the related parties, purchase of goods from related parties and freight expenses paid to related parties are made at prices, which are not materially different to those applicable to third party customers and suppliers

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS – cont'd

b) Compensation of key management personal

Key management personnel are directors, those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

The remuneration of key management personnel of the company during the financial year is as follows:

	2021 US$	2020 US$
Directors' emoluments:		
- directors' remunerations	**93,647**	92,704
- other benefits	**17,311**	24,282
	110,958	116,986

7. PROPERT, PLANT AND EQUIPMENT

2021	Computer US$	Furniture and fittings US$	Office premises US$	Total US$
Cost				
As at 1.4.2020	3,379	30,266	78,056	111,701
Additions	1,145	-	89,221	90,366
Disposal	-	-	(78,058)	(78,058)
As at 31.3.2021	**4,524**	**30,266**	**89,219**	**124,009**
Accumulated depreciation				
As at 1.4.2020	2,988	18,084	49,299	70,371
Depreciation for the year	994	6,134	47,344	54,472
Disposal	-	-	(78,058)	(78,058)
As at 31.3.2021	**3,982**	**24,218**	**18,585**	**46,785**
Carrying amount				
As at 31.3.2021	**542**	**6,048**	**70,634**	**77,224**

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. PROPERT, PLANT AND EQUIPMENT – cont'd

2020	Computer	Furniture and fittings	Office premises	Total
	US$	US$	US$	US$
Cost				
As at 1.4.2019	2,988	30,266	-	33,254
Transition to FRS 116 right-of use assets	-	-	78,056	78,056
Adjusted balance as at 1.4.2019	2,988	30,266	78,056	111,310
Additions	391	-	-	391
As at 31.3.2020	**3,379**	**30,266**	**78,056**	**111,701**
Accumulated depreciation				
As at 1.4.2019	1,553	12,026	-	13,579
Depreciation for the year	1,435	6,058	49,299	56,792
As at 31.3.2020	**2,988**	**18,084**	**49,299**	**70,371**
Carrying amount				
As at 31.3.2020	**391**	**12,182**	**28,757**	**41,330**

Right-of-use assets acquired under leasing arrangements are presented as office premises together with the other assets. Details of such leased assets are disclosed in Note 15 to the financial statements.

During the period, the company carried out a review of the recoverable amount of all property, plant and equipment. As a result, there were no allowances for impairment or revisions to the useful lives required for plant and equipment.

8. TRADE AND OTHER RECEIVABLES

	2021	2020
	US$	US$
Trade receivables – ultimate holding company	**22,344,635**	6,121,865
Trade receivables – third parties	**8,769,783**	4,789,965
	31,114,418	10,911,830
Contract assets – purchase advances	**1,188,630**	51,725
Other receivables	**6,019**	6,130
Rental deposits	**11,693**	11,693
	32,320,760	10,981,378

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 71% (2020:99%) of the company's trade receivables are due from ultimate holding company, who is also the company's most significant customer. 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. TRADE AND OTHER RECEIVABLES – cont'd

The amount due from ultimate holding company is unsecured, interest free and repayable on demand.

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

	2021 US$	2020 US$
Neither past due nor impaired	**31,114,418**	9,787,994
Past due but no impaired		
Less than 30 days	-	-
31 to 60 days	-	1,087,500
61 to 90 days	-	-
More than 90 days	-	36,336
	31,114,418	10,911,830

Advances to suppliers are for procurement of physical commodities and services which are to be delivered in the next 12months. Management always estimates the loss allowance on amounts due from suppliers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from suppliers at the end of the reporting period is long outstanding. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the advance to suppliers.

Rental deposit represents the two months rental caution deposit placed with the landlords of the office premises.

9. OTHER CURRENT ASSETS

	2021 US$	2020 US$
Interest receivables	**43,388**	157,730
Deposits	**241,466**	2,127,077
	284,854	2,284,807

Deposits refer to futures margin deposits held with a licensed financial institution to operate the futures commodity derivatives. Impairment of margin deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that its margin deposit has low credit risk based on the external credit ratings of the counterparty.

Other current assets are denominated in the following currencies:

	2021 US$	2020 US$
United State dollar	**284,854**	260,499
Malaysia ringgit	-	2,024,319
	284,854	2,284,807

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

10. DERIVATIVE FINANCIAL INSTRUMENT

2021	Contractual Notional value US$	Fair value Asset US$	Fair value Liability US$
Commodities forward			
- Sales	**22,315,000**	**310,000**	**-**
- Purchases	**22,135,000**	**-**	**(130,000)**
Commodities futures			
- Sales	**459,065**	**7,967**	**-**
- Purchases	**594,651**	**-**	**(34,212)**
		317,967	**(164,212)**

2020	Contractual Notional value US$	Fair value Asset US$	Fair value Liability US$
Commodities forward			
- Sales	5,085,000	4,000	-
- Purchases	5,081,000	-	-
Commodities futures			
- Sales	634,566	5,658	-
- Purchases	1,690,094	-	(49,198)
		9,658	(49,198)

The Company has entered into commodity derivatives to manage its exposure to fluctuation in fair value and the volatility of future cash flows caused by changes in commodity prices. The Company's derivative financial instruments consist of fixed-price swaps for commodities under the terms of the commodity price swaps, the Company receives a fixed-price for its production and pays a variable market price to the contract counterparty. These instruments generally mature within 12 months.

The Company has not elected to designate its derivative instruments as cash flow hedging instruments; therefore, the changes in fair value are recognized each period in profit and loss statement. The contracts are placed with major financial institutions deemed to be of high credit, each of which is a party to the credit facility.

The fair value of the commodity derivative is determined based on mark-to-market valuation provided by the bank as at end of reporting period. The value gain of **US$193,295** (2020: fair value loss of US$39,540) has been recognised in the profit and loss statement.

11. CASH AND CASH EQUIVALENTS

	2021 US$	2020 US$
Cash in hand	**11**	683
Cash at banks	**1,997,861**	2,039,039
Fixed deposits	**10,235,160**	10,000,000
	12,233,032	12,039,722

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

11. CASH AND CASH EQUIVALENTS – cont'd

Bank balances comprise short-term bank deposits with an original maturity of three months or less. Cash at bank earn interest at floating rates based on daily bank deposit rates.

Fixed deposits are made for varying period periods between six months to twelve months and earn interests ranging from 2.05% to 2.40% per annum. Fixed deposits are all denominated in the functional currency of the company and they are pledged with licensed banks for banking facilities granted to the company (Note 15).

Bank balances in statement of cash flows are as follows:

	2021 US$	2020 US$
Cash and bank balances	**12,233,032**	12,039,722
Less: Fixed deposits, restricted	**(10,235,160)**	(10,000,000)
	1,997,872	2,039,722

Cash and cash equivalents held that are not available for use are classified as restricted deposits. Restricted fixed deposits are excluded from cash and cash equivalents.Cash and cash equivalents are denominated in the following currencies:

	2021 US$	2020 US$
United States dollar	**12,204,810**	12,013,186
Singapore dollar	**28,222**	26,536
	12,233,032	12,039,722

12. SHARE CAPITAL

	2021	2020	2021	2020
	Number of ordinary shares		US$	US$
Issued and fully paid:				
At beginning of year	**3,550,000**	3,100,000	**3,550,000**	3,100,000
Issued during the year	**800,000**	450,000	**800,000**	450,000
At end of year	**4,350,000**	3,550,000	**4,350,000**	3,550,000

During the current financial year, the company issued 800,000 ordinary shares for cash consideration of US$800,000. The proceeds were used for working capital purposes.

During the previous financial year, the company issued 450,000 ordinary shares for cash consideration of US$450,000. The proceeds were used for working capital purposes.

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

13. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payment	
	2021	2020	2021	2020
	US$	US$	US$	US$
Amounts payables under finance leases:				
Within one year	**46,701**	27,667	**46,155**	27,466
Within two to five years	**27,243**	-	**26,972**	-
	73,944	27,667	**73,127**	27,466
Less: Future charge	**(1,817)**	(201)		
Present value of lease obligations	**72,127**	27,466		
Less: Amount due for settlement within 12 months	**(45,155)**	(27,466)		
Amount due for settlement after 12 months	**26,972**	-		

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentive receivable.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying based on the initial application of asset.

At the end of reporting period, there were no commitments on leases which had not yet commenced.

The lease liabilities are denominated in Singapore dollars.

The incremental borrowing rate applied for lease liabilities at the date of initial adoption was 2.18% per annum.

a) Amounts recognized in profit or loss

	2021	2020
	US$	US$
Interest on lease liabilities	**1,237**	1,214
Depreciation charges for the year	**47,344**	49,299
	48,581	50,513

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

13. LEASE LIABILITIES – cont'd

b) Movements of lease liabilities are as follows

	2021 US$	2020 US$
Balance at beginning of year	**27,466**	-
Adoption of FRS 116	**-**	78,056
Additions for the year	**89,221**	-
Repayment of lease liabilities	**(46 ,058)**	(48,506)
Foreign currency exchange adjustments (loss)/gain	**1,498**	(2,084)
Balance at end of year	**72,127**	27,466

14. TRADE AND OTHER PAYABLES

	2021 US$	2020 US$
Trade payables:		
- third parties	**31,911,745**	14,552,235
Other payables:		
- immediate holding company (Note 6)	**-**	200,000
- accruals	**70,812**	142,949
	31,982,557	14,895,184

Trade and other payables are non-interest bearing and normally settled on 60 days (2020: 60 days). Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs.

Trade and other payables are denominated in the following currencies:

	2021 US$	2020 US$
United States dollar	**31,979,344**	14,892,158
Singapore dollar	**3,215**	3,026
	31,982,559	14,895,184

15. BORROWINGS

	2021 US$	2020 US$
Trust receipts	**5,909,366**	5,051,617

The trust receipts are repayable in 180 (2020: 180) days and bore interest at spread plus applicable LIBOR per annum. Bank borrowings are secured by charge on fixed deposit with banks (Note 11) and corporate guarantee from the immediate holding company.

15. BORROWINGS – cont'd

Reconciliation of liabilities arising from financing activities

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	Trust receipt	
	2021	**2020**
	US$	**US$**
At beginning of year	**5,051,617**	-
Proceeds	**148,296,794**	40,133,210
Less: Repayments	**(147,439,045)**	(35,081,593)
At end of year	**5,909,366**	5,051,617

16. REVENUE

The company derives revenue from the transfer of goods at a point in time in the following major revenue streams.

	2021	**2020**
	US$	**US$**
Sale of soya bean oil	**-**	2,047,500
Sales of soya bean meal	**1,258,959**	205,920
Sales of palm oil	**291,992,063**	184,299,144
	293,251,022	186,552,564

17. OTHER INCOME

	2021	**2020**
	US$	**US$**
Government grants:		
- JSS scheme	**35,173**	-
- Wage credit scheme	**1,282**	1,628
- SEC	**554**	-
Interest from banks	**121,026**	163,871
	158,035	165,499

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. OTHER INCOME – cont'd

Jobs Support Scheme ("JSS")

The JSS grant was announced at the Budget 2020 (the "Unity Budget") in February 2020 for the purpose of providing wage support to employers to help them retain their local employees (Singapore citizens and permanent residents) during the period of economic uncertainty arising from the COVID-19 situation. The Unity Budget was subsequently enhanced in the two supplementary budgets (the "Resilience Budget" and the "Solidarity Budget") and the MultiMinistry Taskforce on COVID-19 announcements on 26 March 2020, 6 April 2020 and 21 April 2020 respectively. Under the JSS, the government co-funds between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee in ten months period. The grants are recognised as grant income in the profit and loss on a systematic basis over the months in which the related salary costs are recognised as expense.

Wage Credit Scheme ("WCS")

The WCS was introduced as a 2013 Budget Initiative to help businesses which may face rising wage costs in a tight labour market. It was extended in Budget 2015 and 2018. Under this scheme, the Singapore Government will co-fund 20%, 15% and 10% of qualifying wage increases given to the company's Singaporean employees earning a gross monthly wage of S$4,000 and below in the years 2016 to 2018, 2020 and 2021 respectively.

Special Employment Credit ("SEC")

The SEC was introduced as a Budget Initiative in 2011 to support employers, and to raise the employability of older Singaporeans. It was enhanced in 2012 to provide employers with continued support to hire older Singaporean workers and Persons with Disabilities (PWDs). At Budget 2016, the SEC was extended for three years (viz. 2017 to 2019) to provide wage offsets to employers hiring Singaporean workers aged 55 and above, and earning up to $4,000. The Minister for Finance announced a further one-year extension of SEC to end-2020 at Budget 2019.

18. FINANCE COSTS

	2021 **US$**	**2020** **US$**
Interest on bills discounting	**13,308**	86,240
Interest on lease liabilities	**1,237**	1,214
Trust receipt interest	**468,305**	111,884
	482,850	199,338

19. INCOME TAX EXPENSE

	2021 **US$**	**2020** **US$**
Current year's income tax	**172,000**	80,000
Income tax refund	-	-
Under/(Over) provision in prior year	**3,027**	(13,994)
	175,027	66,006

RIYA INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

19. INCOME TAX EXPENSE – cont'd

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

	2021 US$	2020 US$
Profit before income tax	**1,072,778**	596,241
Income tax expense at statutory rate at 17% (2020: 17%)	**182,372**	101,361
Effect of:		
- non-deductible expenses	**2,393**	1,473
- tax exemption	**(12,765)**	(12,271)
- tax rebate	**-**	(10,563)
Current year's income tax	**172,000**	80,000
Under/(Over) provision in prior year	**3,027**	(13,994)
	175,027	66,006

Movement of income tax payables

	2021 US$	2020 US$
At beginning of year	**80,000**	35,000
Current year provision	**172,000**	80,000
Overprovision in prior year	**3,027**	(13,994)
Income tax paid	**(100,633)**	(21,006)
	154,394	80,000

20. PROFIT FOR THE YEAR

Profit for the year has been arrived after charging:

	2021 US$	2020 US$
Director's remuneration	**93,647**	92,704
Directors other benefits	**17,311**	24,282
Employee benefits (including director's emoluments)	**269,301**	211,059
Cost of defined contribution plans included in employee benefits	**21,743**	19,953
Brokerage expense	**138,791**	444,748
Cost of inventories recognised as expenses in the cost of goods sold	**283,119,080**	177,125,162

21. COMMITMENTS

	2021 US$	2020 US$
Letter of credits	**-**	4,797,056

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

22. 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
- 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.

23. 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,

RIYA INTERNATIONAL PTE. LTD.

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 US$	2020 US$
Revenue	**293,251,022**	186,552,564
Less: Cost of sales		
Purchases	**283,119,080**	177,125,162
Commission	**37,164**	46,120
Freight charges	**7,904,180**	6,920,008
Fair value gain/(loss) on commodity derivatives	**(193,295)**	39,540
Quality and shortage claims	**74,562**	-
Supervision charges	**-**	40,978
	(290,941,691)	(184,171,808)
Gross profit	**2,309,331**	2,380,756
Add: Other income		
Government grant		
- JSS scheme	**35,173**	-
- WCS grant	**1,282**	1,628
- SEC	**554**	-
Interest income	**121,026**	163,871
	158,035	165,499
	2,467,366	2,546,255
Less: Operating expenses		
- Schedule 'A'	**(1,394,588)**	(1,950,014)
Profit before income tax	**1,072,778**	596,241

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

RIYA INTERNATIONAL PTE. LTD.

Schedule 'A'

OPERATING EXPENSESS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 US$	2020 US$
Administrative expenses		
Auditors' remuneration	**9,000**	8,500
Bank charges	**264,526**	393,820
Brokerage expense	**138,791**	444,748
Central provident funds contribution	**21,743**	19,953
Conveyance expenses	**2,066**	709
Courier charges	**3,700**	3,680
Directors' emoluments:		
- remuneration	**93,647**	92,704
- other benefits	**17,311**	24,282
Demurrage gain)/charges	-	228,272
Entertainment	**4,976**	12,216
Insurance	**33,720**	76,578
Other expenses	-	159,000
Internet and mobile expenses	**3,620**	5,572
Legal and professional fee	**61,714**	55,111
Miscellaneous expenses	**731**	1,731
Office expenses	**3,000**	2,874
Printing and stationary	**2,901**	3,185
Salary and allowances	**136,600**	121,284
Staff welfare	-	640
Surveyor expenses	-	10,490
Taxation fee	**2,000**	2,000
Travelling expenses	-	7,074
Utilities	**761**	1,301
Finance cost		
Interest on trust receipts	**468,305**	111,884
Interest on lease liabilities	**1,237**	1,214
Interest on bill discounting	**13,308**	86,240
Other expense		
Depreciation on property, plant and equipment	**54,472**	56,792
Foreign currency exchange adjustment loss	**56,459**	18,085
Penalty expenses	-	75
	1,394,588	1,950,014

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