PIDILITE INNOVATION CENTRE PTE. LTD.

Company Registration Number: 200619063N

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2025

CONTENTS

PIDILITE INNOVATION CENTRE PTE. LTD.
Company Registration No.: 200619063N

DIRECTORS' STATEMENT
For the financial year ended 31 March 2025

The directors present their statement to the member together with the audited financial statements of Pidilite Innovation Centre Pte. Ltd. (the "Company") for the financial year ended 31 March 2025.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) 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 2025 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and

(ii) 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:

Dien Pandiman
Sanjay Bahadur
Shanker Iyer

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	At the beginning of financial year	At the end of financial year
	Ordinary shares	
Ultimate holding company, Pidilite Industries Limited		
Sanjay Bahadur	14,420	16,220

5 SHARE OPTIONS

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

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

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

6 AUDITOR

Helmi Talib LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

DIEN PANDIMAN
Director

SANJAY BAHADUR
Director

Date: 2 May 2025

Helmi Talib LLP
Registration No. (UEN): T20LL1986E

KRESTON GLOBAL
An independent member of Kreston Global

133 Cecil Street, Keck Seng Tower
15-02 Singapore 069535
Tel: +65 6339 2776
Fax: +65 6339 6716
E-mail: enquiry@krestonhelmitalib.com.sg
Website: www.krestonhelmitalib.com.sg

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF PIDILITE INNOVATION CENTRE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pidilite Innovation Centre Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the financial 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 to 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.

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:

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

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

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

- 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.

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

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Helmi Talib LLP

HELMI TALIB LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 2 May 2025

Partner-in-charge	:	Mari Jane Tiburcio
PA No.	:	01780

PIDILITE INNOVATION CENTRE PTE. LTD.
Company Registration No.: 200619063N

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2025

	Note	2025 $	2024 $
Revenue	5	2,926,467	3,093,749
Other income	6	107,644	25,732
Expenses			
Changes in inventories of finished goods		73,846	19,377
Purchases consumed and related costs	7	(926,060)	(1,010,175)
Employee benefits expense	8	(1,229,505)	(1,166,524)
Depreciation of property, plant and equipment		(258,045)	(246,454)
Finance costs	9	(18,219)	(23,556)
Other expenses	10	(155,137)	(174,169)
Profit before income tax		520,991	517,980
Income tax expense	11(a)	(28,082)	(51,345)
Profit for the financial year, representing total comprehensive income for the financial year		492,909	466,635

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

PIDILITE INNOVATION CENTRE PTE. LTD.
Company Registration No.: 200619063N

STATEMENT OF FINANCIAL POSITION
For the financial year ended 31 March 2025

	Note	2025 $	2024 $
ASSETS			
Current assets			
Cash and cash equivalents	12	222,815	502,960
Fixed deposits	13	650,000	600,000
Trade and other receivables	14	419,194	511,956
Inventories	15	361,757	245,469
Total current assets		1,653,766	1,860,385
Non-current assets			
Other receivable	14	64,997	64,997
Property, plant and equipment	16	443,062	542,745
Total non-current assets		508,059	607,742
Total assets		2,161,825	2,468,127
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	17	386,124	343,685
Income tax payable	11(c)	29,290	48,967
Lease liabilities	18(b)	189,537	216,184
Total current liabilities		604,951	608,836
Non-current liability			
Lease liabilities	18(b)	51,619	246,945
Total non-current liability		51,619	246,945
Total liabilities		656,570	855,781
Equity			
Share capital	19	995,155	995,155
Retained earnings		510,100	617,191
Total equity		1,505,255	1,612,346
Total liabilities and equity		2,161,825	2,468,127

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

PIDILITE INNOVATION CENTRE PTE. LTD.
Company Registration No.: 200619063N

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2025

	Note	2025 Share capital $	2025 Retained earnings $	2025 Total $
Equity				
At the beginning of financial year		995,155	617,191	1,612,346
Comprehensive income				
Profit for the financial year, representing total comprehensive income for the financial year		-	492,909	492,909
Dividends paid	20	-	(600,000)	(600,000)
At the end of financial year		995,155	510,100	1,505,255

		2024 Share capital $	2024 Retained earnings $	2024 Total $
Equity				
At the beginning of financial year		995,155	875,556	1,870,711
Comprehensive income				
Profit for the financial year, representing total comprehensive income for the financial year		-	466,635	466,635
Dividends paid	20	-	(725,000)	(725,000)
At the end of financial year		995,155	617,191	1,612,346

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

PIDILITE INNOVATION CENTRE PTE. LTD.
Company Registration No.: 200619063N

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Profit before income tax		520,991	517,980
Adjustments for:			
Depreciation of property, plant and equipment	16	258,045	246,454
Interest income	6	(25,200)	(19,316)
Interest expense	9	18,219	23,556
Impairment of inventories	15	17,945	15,541
Write-off/reversal of impairment of inventories	15	(9,772)	(3,479)
Total adjustments to profit account		259,237	262,756
Total operating cash flows before changes in working capital		780,228	780,736
Changes in working capital:			
Decrease in trade and other receivables		94,886	695
Increase in inventories		(124,461)	(23,373)
Increase in trade and other payables		42,439	35,318
Total changes in working capital		12,864	12,640
Cash flows from operations		793,092	793,376
Income tax paid	11(c)	(47,759)	(7,800)
Net cash flows from operating activities		745,333	785,576
Cash flows from investing activities			
Purchase of property, plant and equipment (see note below)		(158,362)	(80,003)
(Placement)/maturity of fixed deposits		(50,000)	200,000
Interest income received		23,076	21,514
Net cash flows (used in)/from investing activities		(185,286)	141,511
Cash flows from financing activities			
Dividends paid on ordinary shares	20	(600,000)	(725,000)
Payment of principal portion of lease liabilities	18(b)	(221,973)	(214,501)
Interest expense paid on lease liabilities	18(b)	(18,219)	(23,556)
Cash flows used in financing activities		(840,192)	(963,057)
Net decrease in cash and cash equivalents		(280,145)	(35,970)
Cash and cash equivalents at the beginning of financial year		502,960	538,930
Cash and cash equivalents at the end of financial year	12	222,815	502,960

Note:

		2025	2024
Reconciliation of additions per movement in property, plant and equipment and statement of cash flows			
Additions in property, plant and equipment		158,362	89,901
Less: Property, plant and equipment acquired under lease liabilities		-	(9,898)
Purchase of property, plant and equipment per statement of cash flows		158,362	80,003

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

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

1 CORPORATE INFORMATION

Pidilite Innovation Centre Pte. Ltd. (the "Company") is domiciled and incorporated in Singapore on 20 December 2006 with its registered office at 61 Science Park Road, #03-11/12 The Galen, Singapore 117525.

The principal activities of the Company are those of research and development on chemicals including manufacturing and trading of waterproofing and emulsion paints. There have been no significant changes in the nature of these activities during the financial year.

The Company's immediate and ultimate holding companies are Pidilite International Pte. Ltd. and Pidilite Industries Limited, companies incorporated in Singapore and India, respectively.

The financial statements of the Company for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution by the directors as at the date of the Directors' Statement.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "$"), which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current period.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on 1 April 2024. The adoption of these standards did not have any material effect on the financial statements of the Company.

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.3 Standards issued but not yet effective (Continued)

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

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

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Laboratory equipment	5
Computers	3
Furniture and fixtures	5
Manufacturing equipment	5
Office equipment	5
Motor vehicles	5
Renovation	5

Included in property, plant and equipment are right-of-use assets for the factory and office premises which are depreciated using the straight-line method over the shorter of lease terms and useful lives. The lease terms and the estimated lives of the factory and office premises are 2 and 99 years, and 3 and 99 years, respectively.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect to those property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.6 Impairment of non-financial assets (Continued)

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks, cash on hand and fixed deposits which are subject to an insignificant risk of changes in value.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

- Raw materials, trading finished goods and packaging materials – Purchase costs on a moving average method; and
- Manufactured finished goods – Raw materials costs are assigned on a moving average method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.9 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.9 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

Amortised cost

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

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

Subsequent measurement

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

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.9 Financial instruments (Continued)

(b) Financial liabilities (Continued)

Derecognition

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

2.10 Impairment of financial assets

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. 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 which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may 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 enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.11 Provisions (Continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.12 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.13 Government grants

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

2.14 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 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.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.15 Leases (Continued)

As lessee (Continued)

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 2.6 to the financial statements.

The Company's right-of-use assets are presented within property, plant and equipment and disclosed in Note 16 to the financial statements.

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 18(b) to the financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.16 Revenue

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 promised goods or services to the customer, which is when the customer obtains control of the good or 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) Research and development fees

Research and development fees are recognised when the services have been performed, rendered and mutually accepted by the parties as per related terms and conditions.

(b) Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns.

(c) Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectability is in doubt.

2.17 Taxes

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Taxes (Continued)

(b) Deferred tax

Deferred tax is provided using the liability method on 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 assets and liabilities are measured at the tax rates that are expected to apply in 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 each reporting period.

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

(c) Goods and Services Tax ("GST")

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

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

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

2.18 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 the 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;

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.18 Related party (Continued)

A related party is defined as follows: (Continued)

(b) An entity is related to the Company if any of the following conditions applies: (Continued)

(iv) one entity is a joint venture of a third entity and 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);
(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.

Key management personnel

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

(a) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are certain 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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected 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 the historical credit loss experience with forward-looking information. At every reporting date, historical observed 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. The information about the ECLs and the carrying amounts of the Company's trade receivables are disclosed in Notes 14 and 21 to the financial statements.

(b) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amounts of the Company's property, plant and equipment are disclosed in Note 16 to the financial statements.

(c) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amounts of the Company's inventories are disclosed in Note 15 to the financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(d) Leases – estimating the 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 similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', 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 entity-specific estimates.

4 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

(a) Significant related party transactions

	2025	2024
	$	$
Ultimate holding company - Pidilite Industries Limited		
Research and development fees (Note 5)	(1,779,500)	(1,728,933)
Purchases of raw materials	245,395	204,036
Expenses paid on behalf by the Company	7,346	-
Reimbursement of expenses	2,928	3,731

	2025	2024
	$	$
Immediate holding company, Pidilite International Pte. Ltd.		
Dividends paid (Note 20)	600,000	725,000
Shared service income (Note 6)	73,773	-
Reimbursement of expenses	4,212	4,212

	2025	2024
	$	$
Related parties, Pidilite Bamco Limited		
Purchases of raw materials	53,767	70,572
Reimbursement of expenses	2,300	-

4 RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

	2025 $	2024 $
Directors		
Director's remuneration and bonus	381,723	367,599
Director's contributions to CPF	14,667	14,126
Director's fee (Note 8)	10,000	9,000
Other benefits	21,600	12,600
	427,990	403,325

5 REVENUE

	2025 $	2024 $
Type of goods or services		
Sale of goods	1,146,967	1,364,816
Research and development fees (Note 4)	1,779,500	1,728,933
	2,926,467	3,093,749
Timing of render of service and transfer of goods		
At a point in time	2,926,467	3,093,749

6 OTHER INCOME

	2025 $	2024 $
Shared service income (Note 4)	73,773	-
Interest income arising from fixed deposits	25,200	19,316
Government grants	6,181	4,131
Miscellaneous income	2,490	2,285
	107,644	25,732

7 PURCHASES CONSUMED AND RELATED COSTS

	2025 $	2024 $
Purchases - Raw materials and packaging (Note 15)	765,970	852,150
Labour cost	142,612	138,154
Sublet fee and rental expenses		
- factory premise	1,270	1,270
Other related costs	16,208	18,601
	926,060	1,010,175

8 EMPLOYEE BENEFITS EXPENSE

	2025	2024
	$	$
Staff salaries and bonuses	647,611	616,639
Director's remuneration and bonus	381,723	367,599
Staff CPF contributions	107,249	102,740
Staff welfare	40,399	37,613
Director's allowance	21,600	12,600
Director's CPF contributions	14,667	14,126
Director's fee (Note 4)	10,000	9,000
Medical expenses	6,256	6,207
	1,229,505	1,166,524

9 FINANCE COSTS

	2025	2024
	$	$
Interest expense on lease liabilities (Notes 18(b) and 18(c))	18,219	23,556

10 OTHER EXPENSES

	2025	2024
	$	$
Insurance	21,456	15,941
License and permits	18,741	15,513
Repair and maintenance	18,250	23,840
Utilities	16,704	16,502
Travelling expenses	14,454	15,358
Office expenses	11,218	26,164
Postage and stationery	9,562	11,235
Auditor's remuneration	9,200	9,000
Telecommunication expenses	8,284	7,302
Petrol and parking expenses	7,579	8,445
Legal and professional fees	6,305	7,958
Bank charges	4,647	5,550
Gift and entertainment expenses	4,055	5,488
Foreign exchange loss	3,235	2,071
Licensing fee - rooftop space	1,447	2,238
Marketing expenses	-	1,564
	155,137	174,169

11 INCOME TAX

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 March 2025 and 2024 are:

	2025 $	2024 $
Current income tax		
- Current year provision	21,886	35,068
- Under-provision in prior year	6,196	16,277
Income tax expense recognised in profit or loss	28,082	51,345

(b) Relationship between income tax expense and accounting profit

A relationship between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2025 and 2024 is as follows:

	2025 $	2024 $
Profit before income tax	520,991	517,980
Tax calculated at a tax rate of 17%	88,568	88,057
Utilisation of deferred tax assets not previously recognised and capital allowances	(58,561)	(43,907)
Singapore statutory stepped income exemption and tax rebates	(17,425)	(17,425)
Under-provision in prior year	6,196	16,277
Deferred tax assets not recognised	6,132	5,731
Expenses not deductible for tax purposes	3,512	2,612
Income not taxable for tax purposes	(340)	-
Income tax expense recognised in profit or loss	28,082	51,345

(c) Movement in income tax payable

	2025 $	2024 $
At the beginning of financial year	48,967	5,422
Income tax paid	(47,759)	(7,800)
Current income tax		
- Current year provision	21,886	35,068
- Under-provision in prior year	6,196	16,277
At the end of financial year	29,290	48,967

12 CASH AND CASH EQUIVALENTS

	2025	2024
	$	$
Cash at bank	172,466	302,611
Cash on hand	349	349
Fixed deposits	50,000	200,000
	222,815	502,960

Cash at banks are held in a non-interest bearing account.

Fixed deposits bear interest at 2.05% (2024: 3.31%) per annum and will mature in 23 June 2025 (2024: 27 June 2024).

For the purpose of presenting the statement of cash flows, cash and cash equivalents are comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

13 FIXED DEPOSITS

	2025	2024
	$	$
Fixed deposits	650,000	600,000

Fixed deposits bear interest at rates ranging from 2.08% to 2.50% (2024: 3.26% to 3.30%) per annum and will mature in June, July and September 2025 (2024: August and September 2024).

Fixed deposits are denominated in Singapore Dollar.

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14 TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Current		
Trade receivables		
Ultimate holding company		
- Pidilite Industries Limited	165,519	291,241
Third parties	154,945	208,063
Immediate holding company		
- Pidilite International Pte. Ltd.	80,413	-
	400,877	499,304
Allowance for ECLs	(7,261)	(7,261)
	393,616	492,043
Other receivables		
Prepayments	19,289	18,248
Interest receivable arising from fixed deposits	3,789	1,665
Advances to employees	2,500	-
	25,578	19,913
Total current trade and other receivables	419,194	511,956
Non-current		
Other receivable		
Deposits, representing total non-current other receivable	64,997	64,997
	484,191	576,953
Total trade and other receivables (excluding prepayments)	464,902	558,705
Add: Cash and cash equivalents (Note 12)	222,815	502,960
Fixed deposits (Note 13)	650,000	600,000
Total financial assets carried at amortised cost	1,337,717	1,661,665

Trade receivables

Trade receivables, including amounts due from ultimate and immediate holding companies, are recognised at their original invoiced amounts which represent their fair values on initial recognition. Trade receivables are unsecured, non-interest bearing and are settled as per terms mutually agreed between the parties which are generally 30 – 60 days term. Trade receivables are considered to be of short duration and are not discounted, and the carrying value approximates its fair value.

14 TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables (Continued)

Expected credit losses

There is no movement in the allowance for ECLs of trade receivables computed based on lifetime ECL as at 31 March 2025 and 2024.

The ageing of trade receivables as at 31 March 2025 and 2024 are disclosed in Note 21 to the financial statements.

Trade and other receivables are denominated in Singapore Dollar.

15 INVENTORIES

(a) Statement of financial position

	2025 $	2024 $
Raw materials	202,514	152,420
Finished goods	194,136	120,290
Packaging materials	11,083	10,562
	407,733	283,272
Less: Allowance for stock obsolescene	(45,976)	(37,803)
	361,757	245,469

(b) Analysis of allowance for stock obsolescence

	2025 $	2024 $
At the beginning of financial year	37,803	25,741
Additions during the year	17,945	15,541
Reversal	(9,059)	(3,479)
Write-off	(713)	-
At the end of financial year	45,976	37,803

(c) Statement of profit or loss and other comprehensive income

Inventories amounting to $765,970 (2024: $852,150) were recognised as an expense in purchases consumed and related costs and changes in inventories of finished goods in the statement of profit or loss and other comprehensive income (see Note 7).

16 PROPERTY, PLANT AND EQUIPMENT

	Cost					Accumulated Depreciation					Net carrying amount
	At the beginning of financial year $	Additions $	Disposal/ Write-off $	Adjustment $	At the end of financial year $	At the beginning of financial year $	Depreciation charge for the financial year $	Disposal/ Write-off $	Adjustment $	At the end of financial year $	At 31 March 2025 $
Leasehold buildings	1,534,692	-	-	-	1,534,692	1,080,833	220,191	-	-	1,301,024	233,668
Laboratory equipment	682,299	33,129	(14,584)	-	700,844	642,923	14,481	(14,584)	-	642,820	58,024
Computers	25,437	-	-	1,379	26,816	17,511	4,119	-	1,379	23,009	3,807
Furniture and fixtures	40,576	-	-	-	40,576	40,576	-	-	-	40,576	-
Manufacturing equipment	92,512	1,700	-	-	94,212	90,313	1,060	-	-	91,373	2,839
Office equipment	29,983	-	-	-	29,983	26,941	764	-	-	27,705	2,278
Motor vehicles	76,677	116,553	(76,677)	-	116,553	74,759	9,689	(76,677)	-	7,771	108,782
Renovation	429,529	6,980	-	-	436,509	395,104	7,741	-	-	402,845	33,664
Total	2,911,705	158,362	(91,261)	1,379	2,980,185	2,368,960	258,045	(91,261)	1,379	2,537,123	443,062

16 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Cost				Accumulated depreciation				Net carrying amount
	At the beginning of financial year	Additions	Write-off	At the end of financial year	At the beginning of financial year	Depreciation charge for the financial year	Write-off	At the end of financial year	At 31 March 2024
	$	$	$	$	$	$	$	$	$
Leasehold buildings	1,524,794	9,898	-	1,534,692	863,156	217,677	-	1,080,833	453,859
Laboratory equipment	661,750	33,543	(12,994)	682,299	640,584	15,333	(12,994)	642,923	39,376
Computers	35,031	4,543	(14,137)	25,437	25,663	5,985	(14,137)	17,511	7,926
Furniture and fixtures	40,576	-	-	40,576	40,576	-	-	40,576	-
Manufacturing equipment	91,412	1,100	-	92,512	89,685	628	-	90,313	2,199
Office equipment	26,706	3,277	-	29,983	26,216	725	-	26,941	3,042
Motor vehicles	76,677	-	-	76,677	72,201	2,558	-	74,759	1,918
Renovation	391,989	37,540	-	429,529	391,556	3,548	-	395,104	34,425
Total	2,848,935	89,901	(27,131)	2,911,705	2,149,637	246,454	(27,131)	2,368,960	542,745

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18(a) to the financial statements.

17 TRADE AND OTHER PAYABLES

	2025 $	2024 $
Trade payables		
Third parties	46,894	55,123
Ultimate holding company		
- Pidilite Industries Limited	43,450	32,797
Related Company		
- Pidilite Bamco Limited	28,344	-
	118,688	87,920
Other payables		
Accrued operating expenses	262,696	247,644
GST payable	4,740	8,121
	267,436	255,765
	386,124	343,685
Total trade and other payables (excluding GST payable)	381,384	335,564
Add: Lease liabilities (Note 18(b))	241,156	463,129
Total financial liabilities carried at amortised cost	622,540	798,693

Trade payables

Trade payables, including amounts due to ultimate holding company and related company, are recognised at their original invoiced amounts which represent their fair values on initial recognition. Trade payables are unsecured, non-interest bearing and are normally settled in 60 days term. Trade payables are considered to be of short duration and are not discounted, and the carrying value approximates its fair values.

Trade and other payables are denominated in the following currencies:

	2025 $	2024 $
Singapore Dollar	325,329	290,399
United States Dollar	32,451	32,797
Thai Baht	28,344	-
Euro	-	20,489
	386,124	343,685

18 LEASES

The Company has lease contracts for factory and office premises, computers and motor vehicles.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold buildings				
	Factory	Office	Computers	Motor vehicles	Total
	$	$	$	$	$
Cost					
At 1 April 2023	479,151	1,045,643	4,929	12,700	1,542,423
Additions	-	9,898	-	-	9,898
At 31 March 2024 and 31 March 2025	479,151	1,055,541	4,929	12,700	1,552,321
Accumulated depreciation					
At 1 April 2023	299,399	563,757	2,875	8,309	874,340
Depreciation charge for the financial year	71,901	145,776	1,643	2,558	221,878
At 31 March 2024	371,300	709,533	4,518	10,867	1,096,218
Depreciation charge for the financial year	71,901	148,290	411	1,833	222,435
At 31 March 2025	443,201	857,823	4,929	12,700	1,318,653
Net carrying amount					
At 31 March 2024	107,851	346,008	411	1,833	456,103
At 31 March 2025	35,950	197,718	-	-	233,668

(b) Lease liabilities

The carrying amounts of lease liabilities during the financial year are disclosed below.

	2025	**2024**
	$	$
Lease liabilities		
- Current	189,537	216,184
- Non-current	51,619	246,945
	241,156	463,129

18 LEASES (Continued)

(b) Lease liabilities (Continued)

A reconciliation of lease liabilities arising from financing activities is as follows:

	1 April 2024	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Interest	Non-cash changes: Others	31 March 2025
	$	$	$	$	$	$
Lease liabilties						
- Current	216,184	(240,192)	-	18,219	195,326	189,537
- Non-current	246,945	-	-	-	(195,326)	51,619
	463,129	(240,192)	-	18,219	-	241,156

	1 April 2023	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Interest	Non-cash changes: Others	31 March 2024
	$	$	$	$	$	$
Lease liabilties						
- Current	212,446	(238,057)	9,898	23,556	208,341	216,184
- Non-current	455,286	-	-	-	(208,341)	246,945
	667,732	(238,057)	9,898	23,556	-	463,129

(c) Amounts recognised in profit or loss

	2025	**2024**
	$	$
Depreciation of right-of-use assets (Note 18(a)	222,435	221,878
Interest expense on lease liabilities (Note 9)	18,219	23,556
Total amounts recognised in profit or loss	240,654	245,434

(d) Total cash outflows

The Company had total cash outflows for leases of $240,192 (2024: $238,057).

19 SHARE CAPITAL

	2025 No. of shares	**2025** $	**2024** No. of shares	**2024** $
At the beginning and end of financial year	653,341	995,155	653,341	995,155

Ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

20 DIVIDENDS

	2025	2024
	$	$
Declared and paid during the financial year		
Dividends on ordinary shares		
Final tax exempt (one-tier) dividend of approximately $0.92 per share for the financial year ended 31 March 2025 (2024: $1.11 per share)	600,000	725,000

21 FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables (excluding prepayments). For cash and cash equivalents, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

21 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors.

The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; or
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

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

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Company categorises receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where financial assets have been written off, the Company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

21 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

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

Category	Definition of category	Basis for recording expected credit loss ("ECL")
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written-off

The table below details the credit quality of the Company's receivables, as well as maximum exposure to credit risk by credit risk rating categories:

	2025					
	Note	Category	ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$	$	$
Trade receivables	14	Note 1	Lifetime ECL (simplified)	400,877	(7,261)	393,616
Other receivables (excluding prepayments)	14	I	12-month ECL	71,286	-	71,286
					(7,261)	

	2024					
	Note	Category	ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$	$	$
Trade receivables	14	Note 1	Lifetime ECL (simplified)	499,304	(7,261)	492,043
Other receivables (excluding prepayments)	14	I	12-month ECL	66,662	-	66,662
					(7,261)	

21 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

The table below details the credit quality of the Company's receivables, as well as maximum exposure to credit risk by credit risk rating categories:

	2025					
	Current $	Less than 30 days $	More than 30 days past due $	More than 60 days past due $	More than 90 days past due $	Total $
Gross carrying amount	342,407	48,587	1,748	874	7,261	400,877
Less: Allowance for ECLs	-	-	-	-	(7,261)	(7,261)

	2024					
	Current $	Less than 30 days $	More than 30 days past due $	More than 60 days past due $	More than 90 days past due $	Total $
Gross carrying amount	299,159	190,684	720	7,582	1,159	499,304
Less: Allowance for ECLs	-	-	-	(6,102)	(1,159)	(7,261)

Other receivables

The Company's other receivables (excluding prepayments) comprise mainly of deposits. These other receivables are considered to be low credit risk as these have low risk of default and the counterparties have a strong capacity to meet its contractual cash flow obligation if demanded in the near term. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

21 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk other than those balances with related companies comprising 62% (2024: 43%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles.

Liquidity risk for the Company is minimal as the Company is able to meet its funding requirements through its operations to meet its liabilities as and when they fall due.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2025			
	Carrying amount	Contractual cash flows	One year or less	One to five years
	$	$	$	$
Financial assets				
Cash and cash equivalents (Note 12)	222,815	222,815	222,815	-
Fixed deposits (Note 13)	650,000	650,000	650,000	-
Trade and other receivables (excluding prepayments) (Note 14)	464,902	464,902	464,902	-
Total undiscounted financial assets	1,337,717	1,337,717	1,337,717	-
Financial liabilities				
Trade and other payables (excluding GST payable) (Note 17)	381,384	381,384	381,384	-
Lease liabilities (Note 18(b))	241,156	259,328	204,078	55,250
Total undiscounted financial liabilities	622,540	640,712	585,462	55,250
Total net undiscounted financial assets/(liabilities)	715,177	697,005	752,255	(55,250)

21 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

	2024			
	Carrying amount $	Contractual cash flows $	One year or less $	One to five years $
Financial assets				
Cash and cash equivalents (Note 12)	502,960	502,960	502,960	-
Fixed deposit (Note 13)	600,000	600,000	600,000	-
Trade and other receivables (excluding prepayments) (Note 14)	558,705	558,705	558,705	-
Total undiscounted financial assets	1,661,665	1,661,665	1,661,665	-
Financial liabilities				
Trade and other payables (excluding GST payable) (Note 17)	335,564	335,564	335,564	-
Lease liabilities (Note 18(b))	463,129	499,519	240,192	259,327
Total undiscounted financial liabilities	798,693	835,083	575,756	259,327
Total net undiscounted financial assets/(liabilities)	862,972	826,582	1,085,909	(259,327)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The absence of a policy is due to the insignificance of the foreign currency exposure.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar, Thai Baht and Euro.

As at the end of the reporting period, the Company's foreign currency exposure is not significant. Accordingly, no sensitivity analysis is presented.

22 FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that are inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities not measured at fair value

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Fixed deposits

The carrying amount of fixed deposits approximates its fair value as it is subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Lease liabilities

The carrying amounts of lease liabilities approximates their fair value at the end of the reporting period as this obligation is computed at prevailing market interest rate and estimated using a present valuation technique.

22 FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

(b) Assets and liabilities not measured at fair value (Continued)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value. (Continued)

Other receivable – non-current

As at 31 March 2025, the effect of potential future (undiscounted) cash inflows to be received has not been included in the deposits as it is not significant.

There have been no transfers between Level 1 and 2 during the financial years ended 31 March 2025 and 2024.

The Company has no fair value measurement recognised in the statement of financial position as at 31 March 2025 and 2024.

23 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities carried at amortised cost were disclosed in Notes 14 and 17 to the financial statements, respectively.

24 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2025 and 2024.

25 RECLASSIFICATION

A reclassification was made to the prior year's financial statements to enhance the comparability with the current year's presentation.

	As previously reported $	As reclassified $
Statement of Financial Position		
Current assets		
Trade and other receivables	576,953	511,956
Non-current assets		
Other receivable	-	64,997