

# **Prime Accountants**

Chartered Accountants of Singapore

## **CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

Registration Number: 195800125E  
(Incorporated in the Republic of Singapore)

### **ANNUAL REPORT**

**31 MARCH 2023**

## CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

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## CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

### DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

We hereby submit this annual report to the member of **Chloride Batteries S.E. Asia Pte. Limited** (the "Company") together with the audited financial statements for the financial year ended 31 March 2023.

In our opinion:

- the accompanying 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 2023 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### Directors

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

A K Mukherjee  
Avik Roy  
Freddy Tan Teng Siah  
Subir Chakraborty

#### Directors' interests in shares and debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Direct interest	
	Holdings at beginning of the year	Holdings at end of the year
<i>Ordinary shares of the immediate holding company</i>		
<b>Exide Industries Limited</b>		
A K Mukherjee	1,000	1,000
Subir Chakraborty	1,106	1,106

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**DIRECTORS' STATEMENT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**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.

**Share options**

During the financial year, there were:

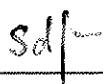
- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

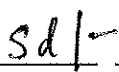
As at the end of the financial year, there were no unissued shares of the Company under option.

**Independent auditor**

The independent auditor, **PRIME ACCOUNTANTS LLP** has expressed its willingness to accept appointment as auditor.

On behalf of the Board of Directors

  
\_\_\_\_\_  
**Avik Roy**  
Director

  
\_\_\_\_\_  
**Freddy Tan Teong Siah**  
Director

27 April 2023

# Prime Accountants

Chartered Accountants of Singapore

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHLORIDE BATTERIES S.E. ASIA PTE. LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Chloride Batteries S.E. Asia Pte. Limited (the "Company"), which comprise the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 2023 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 'Auditors' 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 *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 contained in the annual report. The other information comprises the Directors' Statement and all information in the annual report other than the financial statements and our auditors' report thereon.

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

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

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## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF CHLORIDE BATTERIES S.E. ASIA PTE. LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

### ***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.

### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF CHLORIDE BATTERIES S.E. ASIA PTE. LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### *Auditors' responsibilities for the audit of the financial statements (continued)*

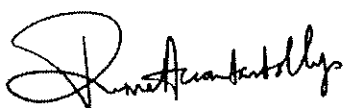
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 controls 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.

The engagement partner on the audit resulting in this independent auditor's report is Koo Kah Yee.



**PRIME ACCOUNTANTS LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 27 April 2023

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000
<b>Assets</b>			
Property, plant and equipment	4	3,565	3,689
Other investments	5	-	555
<b>Non-current assets</b>		<u>3,565</u>	<u>4,244</u>
Inventories	7	3,158	2,890
Trade and other receivables	8	3,219	3,321
Prepaid operating expenses		123	71
Cash and cash equivalents	9	4,654	4,362
<b>Current assets</b>		<u>11,154</u>	<u>10,644</u>
<b>Total assets</b>		<u>14,719</u>	<u>14,888</u>
<b>Equity</b>			
Share capital	10	9,737	9,737
Revaluation reserve	10	4,661	4,661
Accumulated losses		(4,419)	(4,391)
<b>Equity attributable to owner of the Company</b>		<u>9,979</u>	<u>10,007</u>
<b>Liabilities</b>			
Deferred tax liabilities	6	459	459
Lease liabilities	11	638	440
Provisions	12	285	281
<b>Non-current liabilities</b>		<u>1,382</u>	<u>1,180</u>
Lease liabilities	11	291	244
Provisions	12	191	248
Trade and other payables	13	2,876	3,209
<b>Current liabilities</b>		<u>3,358</u>	<u>3,701</u>
<b>Total liabilities</b>		<u>4,740</u>	<u>4,881</u>
<b>Total equity and liabilities</b>		<u>14,719</u>	<u>14,888</u>

*The accompanying notes form an integral part of these financial statements.*



CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000 (Restated)
Revenue	14	16,961	15,898
Other income	15	473	784
(Decrease)/ Increase in inventories of manufactured finished goods and work-in-progress	7	(119)	35
Cost of raw materials consumed	7	(1,731)	(1,712)
Purchase cost of trading goods sold	7	(9,466)	(9,176)
Staff costs	16	(4,157)	(4,299)
Depreciation of property, plant and equipment	4	(828)	(871)
Reversal of expected credit loss on trade receivables, net		173	86
Provision for warranty claims	12	(46)	(52)
Other expenses		(1,256)	(1,298)
Interest expenses		(32)	(29)
<b>Loss before tax</b>	16	(28)	(634)
Tax expense	17	-	-
<b>Loss for the year, presenting total comprehensive loss for the year</b>		(28)	(634)

*The accompanying notes form an integral part of these financial statements.*

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

STATEMENT OF CHANGE IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Share capital \$'000	Revaluation reserve <sup>(1)</sup> \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 April 2021	9,737	4,661	(3,757)	10,641
Loss for the year, representing total comprehensive loss for the year	-	-	(634)	(634)
At 31 March 2022	9,737	4,661	(4,391)	10,007
At 1 April 2022	9,737	4,661	(4,391)	10,007
Loss for the year, representing total comprehensive loss for the year	-	-	(28)	(28)
At 31 March 2023	9,737	4,661	(4,419)	9,979

<sup>(1)</sup> Revaluation reserve relates to surplus arising on revaluation of property.

*The accompanying notes form an integral part of these financial statements.*

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Loss before tax		(28)	(634)
Adjustments for:			
Depreciation of property, plant and equipment	4	828	871
Write off property, plant and equipment		(2)	-
Loss on sale of debt investments		47	-
Interest income	15	(21)	(13)
Interest expense	16	32	29
Unrealised foreign currency loss		2	2
		<u>858</u>	<u>255</u>
Changes in:			
- inventories		(249)	650
- trade and other receivables		78	347
- prepaid operating expenses		(52)	4
- trade and other payables		(338)	(746)
- provisions		(72)	7
Cash generated from operating activities		<u>225</u>	<u>517</u>
Tax paid		-	-
<b>Net cash generated from operating activities</b>		<u>225</u>	<u>517</u>
<b>Cash flows from investing activities</b>			
Interest received		21	17
Proceeds from disposal of debt investments	4	506	-
Acquisition of property, plant and equipment	4	<u>(164)</u>	<u>(12)</u>
<b>Net cash generated from investing activities</b>		<u>363</u>	<u>5</u>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	11	(293)	(332)
Lease interest paid	11	<u>(32)</u>	<u>(29)</u>
<b>Net cash used in financing activities</b>		<u>(325)</u>	<u>(361)</u>
<b>Net increase in cash and cash equivalents</b>		263	161
Cash and cash equivalents at the beginning of the year		4,362	4,203
Effect of exchange rates changes on balance held in foreign currencies		29	(2)
<b>Cash and cash equivalents at the end of the year</b>	9	<u>4,654</u>	<u>4,362</u>

*The accompanying notes form an integral part of these financial statements.*

## **CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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

#### **1 General**

Chloride Batteries S.E. Asia Pte. Limited (the "Company") is private limited company incorporated and domiciled in Singapore. The address of the Company's registered office is 106 Neythal Road, Jurong Town, Singapore 628594.

The principal activities of the Company comprise of production and distribution of industrial battery chargers, rectifiers and parts thereof and the distribution of industrial and automotive batteries.

The immediate and ultimate holding company is Exide Industries Limited (the "holding company"), a company incorporated in India and listed on three recognised stock exchanges in India.

Related companies refer to subsidiaries and associates of the Company's holding company, Exide Industries Limited ("EIL") and the holding company of a substantial shareholder of EIL, Chloride Eastern Industries Pte. Ltd.

#### **2 Basis of preparation**

##### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (FRS) and are drawn up in accordance with the historical cost convention, except as disclosed in the accounting policies below.

##### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

##### **2.3 Functional and presentation currency**

These financial statements are presented in Singapore dollars (\$), which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**2 Basis of preparation (continued)**

**2.4 Use of management's estimates and judgements**

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 4 – fair value of buildings and impairment of non-financial assets;
- Note 7 – valuation of inventories; and
- Note 19 – measurement of expected credit loss (ECL) allowance for trade receivables and contract assets.

**2.5 Changes in accounting policies**

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 periods beginning on or after 1 April 2022.

The adoption of these standards did not result in substantial changes to the accounting policies and had no material effect on the disclosures and amounts reported in these financial statements.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**3.1 Foreign currency**

**Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

**3.2 Financial instruments**

**Recognition and initial measurement**

*Non-derivative financial assets and financial liabilities*

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

**Classification and subsequent measurement**

*Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

*Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

Classification and subsequent measurement (continued)

*Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (continued)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Non-derivative financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Company's non-derivative financial assets at amortised cost comprise other investments (debts instruments), trade and other receivables (exclude contract assets, advances to suppliers and grant receivables), cash and cash equivalents as presented on the statement of financial position.

*Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities at amortised cost

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company classifies its non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Company's non-derivative financial liabilities carried at amortised cost comprise trade and other payables and lease liabilities as presented on statement of financial position.



CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

**Derecognition**

*Financial assets*

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

3.4 Equity

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.5 Impairment

**Non-derivative financial assets**

The Company assesses loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

*Simplified approach*

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

*General approach*

The Company applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience, external credit ratings and default rates.

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

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.5 Impairment (continued)

**Non-derivative financial assets (continued)**

*General approach (continued)*

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track record, macroeconomic environment and general industry trends.

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

*Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). In assessing the amount of loss allowance to be provided the Company uses current credit ratings of customers and banks to derive the probability of default, historical trends of the timing of recoveries and amount of loss incurred on related party and third party receivables, and the ageing profile of receivables.

*Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

*Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies (continued)**

**3.5 Impairment (continued)**

**Non-derivative financial assets (continued)**

*Write-off*

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

**Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies (continued)**

**3.6 Property, plant and equipment**

**Recognition and measurement**

Property, plant and equipment (except for building) are recognised at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

**Classification of property, plant and equipment held under the revaluation model**

The Company recognises its building and leasehold land on which the building resides (as a class of asset: Property) under revaluation model. Property under the revaluation model is carried at fair value at the date of revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

The Company re-evaluates the fair value of the property by an independent valuer on a quinquennial basis and whenever its carrying amount is likely differ materially from its revalued amount.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

**Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

**Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies (continued)**

**3.6 Property, plant and equipment (continued)**

**Depreciation (Continued)**

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold Building	60 years
• Lease of land	60 years
• Plant and equipment	10 years
• Furniture fittings and office equipment	3 - 10 years
• Motor vehicles	5 years

**Leasehold land**

The lease, which was acquired in 1968, expires in 2028. The revalued amounts or the cost of lease hold land are being depreciated on a straight-line basis over the remaining lease period.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

**3.7 Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.7 Leases (Continued)

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses. If the Company applies the revaluation model to a class of property, plant and equipment that the right-of-use assets that relate to, the right-of-use assets is measured using revaluation model as disclosed in 3.7.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies (continued)**

**3.7 Leases (Continued)**

**The Company as a lessee (Continued)**

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

**3.8 Inventories**

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

- Raw materials purchase costs are on a weighted average basis.
- Work-in-progress and manufactured finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.
- Purchased trading goods is on a weighted average basis.

Where 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. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies (continued)**

**3.9 Employee benefits**

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

**Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

**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 under short-term cash bonus or profit-sharing plans 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.

**3.10 Provisions**

**General**

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.

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Warranties**

Provisions for warranty-related costs are recognised when the product is sold, or the service is provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.10 Provisions (Continued)

**Site restoration**

In accordance with the Company's contractual obligations to return the leasehold land to the lessor in tenantable repair, a provision for site restoration in respect of restoration works, and the related expense, is recognised.

3.11 Revenue

Revenue from sale of goods and services in the ordinary course of business is recognised when the Company satisfies a performance obligation by transferring control of a promised good or service to the customer. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

The transaction price is allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the promised goods. The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services.

***Sale of goods*** (industrial battery chargers, rectifiers and parts, industrial and automotive batteries)

Revenue derived from sale of goods is usually recognised at a point in time when control of goods has been transferred, being when the product is delivered to the customer.

***Maintenance services*** (maintenance of power system)

Revenue derived from maintenance services may be recognised at a point in time or over-time when maintenance services are completed, being the timing of satisfaction of the performance obligation.

3.12 Government grants

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**3 Significant accounting policies (continued)**

**3.13 Tax (continued)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

**3.14 New standards and interpretations not adopted**

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.

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.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant accounting policies (continued)

3.14 New standards and interpretations not adopted (Continued)

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4 Property, plant and equipment

	Leasehold building *	Lease of land *	Plant and equipment	Furniture, fittings and office equipment *	Motor vehicles *	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost or valuation</b>						
At 1 April 2021	5,820	682	825	911	668	8,906
Additions	-	96	1	11	132	240
At 31 March 2022 and 1 April 2022	5,820	778	826	922	800	9,146
Additions	89	-	31	76	512	708
Write off	-	-	-	(33)	-	(33)
Modification	-	10	-	-	-	10
At 31 March 2023	5,909	788	857	965	1,312	9,831
<b>Accumulated depreciation</b>						
At 1 April 2021	2,820	128	575	834	229	4,586
Depreciation for the year	426	96	43	27	279	871
At 31 March 2022 and 1 April 2022	3,246	224	618	861	508	5,457
Depreciation for the year	438	85	38	28	239	828
Write off	-	-	-	(19)	-	(19)
At 31 March 2023	3,684	309	656	870	747	6,266
<b>Carrying amounts</b>						
At 31 March 2023	2,225	479	201	95	565	3,565
At 31 March 2022	2,574	554	208	61	292	3,689

\*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.

**Security**

Building with a carrying amount of \$2,225,000 (2022: \$2,574,000) is mortgaged to secure the Company's banking facilities (Note 19).

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**4 Property, plant and equipment (Continued)**

**Additions**

The additions of property, plant and equipment for the year are settled by way of the following:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash payment	164	12
Non-cash – provision of restoration costs	-	96
Non-cash - lease modification (Note 11)	10	-
Non-cash – new lease arrangements (Note 11)	544	132
	<u>718</u>	<u>240</u>

**Source of estimation uncertainty - fair value measurement and impairment of non-financial assets**

**(a) Fair value of property**

The Company's property, comprise the leasehold building and land have adopted revaluation model. The Company re-evaluates the fair value of the property by an independent valuer on a quinquennial basis and whenever its carrying amount is likely differ materially from its revalued amount.

***Valuation process applied by the Company for Level 3 fair value***

Management engaged an independent valuer to perform a desktop valuation of the Company's property as to determine that the carrying amount of the property does not differ materially from what would be determined using the fair value at the end of the reporting date. Based on the desktop valuation via comparison approach performed by the independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd in March 2023, has determined that the estimated market value of the property is not differ materially from its carrying amount as at 31 March 2023.

Had the property stated at valuation be included in the financial statements was measured using the cost model, the carrying amount as at the reporting date would have been as follows:

	<b>Building</b>	<b>Lease of land</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount</b>		
At 31 March 2022	<u>256</u>	<u>554</u>
At 31 March 2023	<u>294</u>	<u>479</u>

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4 Property, plant and equipment (continued)

Source of estimation uncertainty - fair value measurement and impairment of non-financial assets (continued)

(a) Impairment of non-financial assets

Non-financial assets comprise the property, plant and equipment are reviewed for impairment whether there is any indication based on external and internal source of information that these assets may be impaired. If any such indication exists, an impairment assessment will be performed accordingly. The recoverable amount of these assets is assessed as the higher of its fair value less costs of disposal and its value in use.

Notwithstanding the Company has reported a net loss for the year ended 31 March 2023 and 2022, the Company's revenue increased and its cash flows from operations remained positive. Accordingly, management has concluded that there is no objective evidence or observable indicator that the property, plant and equipment of the Company may be impaired as at 31 March 2023 and 2022.

5 Other investments

	2023 \$'000	2022 \$'000
<b>Non-current:</b>		
Debt investments - at amortised cost	-	555

Debt investments classified as at amortised cost have stated interest rates of Nil (2022: 2.75% to 3.22%) and mature in Nil (2022: 5 to 24 years). The Company intended to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

During the current financial year, the Company disposed these debt investments and transferred to fixed deposits (Note 9) for better interest yield.

***Credit and market risks, and fair value measurement***

Information about the Company's exposures to credit and market risks, and fair value measurement, is included in Notes 19 and 20, respectively.



CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

6 Deferred tax (assets)/liabilities

The nature and movements in deferred tax assets and deferred tax liabilities and the amount recognised in profit or loss ("PL") or other comprehensive income ("OCI") during the year are as follows:

	At 1 April 2021 \$'000	Charged/ (credited) to PL/OCI \$'000	Charged/ (credited) to OCI \$'000	At 31 March and 1 April 2022 \$'000	Charged/ (credited) to PL/OCI \$'000	At 31 March 2023 \$'000
<b>Deferred tax liabilities</b>						
Revaluation to fair value - property, plant and equipment	459	-	-	459	-	459

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

6 Deferred tax (assets)/liabilities (continued)

*Unrecognised deferred tax assets*

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

	2023		2022	
	Gross amount \$'000	Tax effect \$'000	Gross amount \$'000	Tax effect \$'000
Deductible timing differences	477	81	529	90
Tax losses	3,317	564	3,645	620

The unutilised tax losses do not expire under Singapore tax legislation. Deferred tax assets have not been recognised in respect of these timing differences and tax losses because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

7 Inventories

	2023 \$'000	2022 \$'000
At lower of cost and net realisation value:		
Raw materials	514	391
Work-in-progress	146	152
Finished goods	2,498	2,347
	<u>3,158</u>	<u>2,890</u>

During the year, the following have been charged/credited to profit or loss:

	2023 \$'000	2022 \$'000
Decrease/(increase) in inventories of manufactured finished goods and work-in-progress	119	(35)
Raw materials consumed	1,731	1,712
Cost of purchased trading goods sold	9,466	9,176
(Reversal of) / provision for allowance for slow-moving inventories	<u>(19)</u>	<u>174</u>

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**7 Inventories (continued)**

**Source of estimation uncertainty – valuation of inventories**

The net realisable value of inventories is estimated based on the amount for which an asset could be exchanged between a willing buyer and a willing seller in an arm's length transaction at the reporting date.

Changes in market conditions and technology advances and the corresponding effects on customers demand levels and specification requirement, may result in excess, slow moving or obsolete inventories that command selling prices below costs. Management compares selling price less costs of completion and costs to make the sale of its inventories to ascertain whether inventories are valued at the lower of cost and net realisable value. Net realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of allowance or write-down include technical assessment and review of changing prices in subsequent sales.

The assessment of net realisable value requires judgement and the use of estimates. Management also uses judgement in estimation of the write down amount for slow-moving inventories based on the best available facts and circumstances at end of each reporting period. Possible changes in these estimates due to changing market conditions could result in downward revision to the valuation of inventories.

During the financial year, the Company recognised an allowance for write down of slow-moving inventories of approximately \$79,000 (2022: \$174,000) in profit or loss.

**8 Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables from third parties	3,308	4,013
Less: Allowance for expected credit losses	(377)	(1,153)
	<u>2,931</u>	<u>2,860</u>
Other receivables:		
Amount due from holding company	80	-
Deposits	68	53
Advances and staff loans	12	9
Financial assets at amortised cost	3,091	2,922
Contract assets	128	268
Advances to suppliers	-	87
Grant receivables	-	44
	<u>3,219</u>	<u>3,321</u>

Grant receivables pertained to grant from government on Jobs Supports Scheme and Jobs Growth Incentive Scheme as part of the COVID-19 relief measures.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**8 Trade and other receivables (Continued)**

Amount due from holding company is outstanding marketing support fee, which is interest-free and repayable on demand.

The Company's exposure to credit and currency risks, and movement of impairment losses related to trade and other receivables are disclosed in Note 19.

**9 Cash and cash equivalents**

	2023 \$'000	2022 \$'000
Bank balances	2,124	2,862
Short-term deposits	2,530	1,500
	<u>4,654</u>	<u>4,362</u>

Cash and cash equivalents are carried at amortised cost. The effective interest rate per annum relating to short-term deposits for the Company is 2%-3.6% (2022: 0.2%). These short-term deposit with maturity period less than 3 months from the reporting date, except a deposit of approximately \$30,000 (2022: NIL) with maturity less than 12 months from the reporting date. Management assesses this deposit is subject to an insignificant risk of changes in its fair value and is used for the Company in the management of its short-term commitments.

**10 Share capital**

	2023 No of shares '000	\$'000	2022 No of shares '000	\$'000
<b>Ordinary shares issued and fully paid</b>				
At the beginning and end of the financial year	<u>7,000</u>	<u>9,737</u>	<u>7,000</u>	<u>9,737</u>

**Ordinary shares**

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value. All shares rank equally with regard to the Company's residual assets.

**Revaluation reserve**

The revaluation reserve relates to the revaluation of building classified as property, plant and equipment. The movement of revaluation reserve is presented on the statement of changes in equity.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

11 Lease liabilities

	2023 \$'000	2022 \$'000
<b>Lease liabilities</b>		
Current	291	244
Non-current	638	440
	<u>929</u>	<u>684</u>

**Terms and debt repayment schedule**

Terms and conditions of outstanding lease liabilities are as follows:

	Nominal interest rate %	Year of maturity	2023 Face value \$'000	2023 Carrying amount \$'000	2022 Face value \$'000	2022 Carrying amount \$'000
Lease liabilities	2.28 - 5.67	2023 -2028	<u>1,002</u>	<u>929</u>	<u>765</u>	<u>684</u>

The Company's exposure to liquidity risk related to lease liabilities is disclosed in Note 19.

**Reconciliation of movement of liabilities to cash flows arising from financing activities.**

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

	<b>Lease liabilities</b>	
	2023 \$'000	2022 \$'000
<b>Balance as at 1 April</b>	684	884
<b>Changes from financing cash flows</b>		
Payment of lease liabilities	(293)	(332)
Interest paid	(32)	(29)
<b>Total changes from financing cash flows</b>	<u>(325)</u>	<u>(361)</u>
<b>Other changes</b>		
Interest expense	32	29
Modification (Note 4)	10	-
Written off	(16)	-
New leases (Note 4)	544	132
<b>Total other changes</b>	<u>570</u>	<u>161</u>
<b>Balance as at 31 March</b>	<u>929</u>	<u>684</u>

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

12 Provisions

	Warranty \$'000	Unutilised leave \$'000	Restoration costs \$'000	Total \$'000
<b>2023</b>				
Balance at 1 April	64	184	281	529
Provision made during the year	46	-	4	50
Provision reversed during the year	-	(24)	-	(24)
Provision utilised during the year	(79)	-	-	(79)
Balance at 31 March	31	160	285	476
Provisions due:				
- within 1 year	31	160	-	191
- after 5 years	-	-	285	285
	31	160	285	476
<b>2022</b>				
Balance at 1 April	52	189	185	426
Provision made during the year	52	-	96	148
Provision reversed during the year	-	(5)	-	(5)
Provision utilised during the year	(40)	-	-	(40)
Balance at 31 March	64	184	281	529
Provisions due:				
- within 1 year	64	184	-	248
- after 5 years	-	-	281	281
	64	184	281	529

13 Trade and other payables

	2023 \$'000	2022 \$'000
Trade payables:		
- Third parties	945	934
- Immediate holding company	1,008	1,414
- Related company	-	53
	1,953	2,401
Other payables - External parties	83	70
Accrued operating expenses <sup>(1)</sup>	513	547
Financial liabilities at amortised cost	2,549	3,018
Contract liabilities	262	-
Goods and services tax payable	65	54
	2,876	3,209

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**13 Trade and other payables (continued)**

<sup>(1)</sup> Included in accrued operating expenses are accrued purchases from the holding company amounting to \$161,000 (2022: \$165,000).

The Company's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 20.

**14 Revenue**

	2023 \$'000	2022 \$'000
Sale of goods	15,235	14,474
Maintenance services	1,726	1,424
	<u>16,961</u>	<u>15,898</u>

<b>Nature of services</b>	Sales of industrial battery chargers and services related to the maintenance of power systems
<b>When revenue is recognised</b>	Revenue is recognised at a point in time when goods have been delivered and accepted by customers, or when maintenance works are completed.
<b>Significant payment terms</b>	The payments are due upon delivery or upon agreed terms (30-90 days terms).
<b>Obligations for warranties</b>	Sales of industrial battery chargers includes standard warranty terms of one to three years, under which customers are able to return and replace any defective products. The Company assessed that such warranty terms do not constitute separate performance obligations to customers and is recognised as a provision for warranty costs.

**(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of goods and services at a point in time in the following sale of goods and service revenue from contracts with customers is disaggregated by primary geographical markets.

	2023 \$'000	2022 \$'000
<b>Primary geographical markets</b>		
Singapore	8,162	6,241
Hong Kong	3,821	3,383
Indonesia	802	889
Malaysia	1,160	1,145
Thailand	1,365	2,424
Japan	526	759
Others	1,125	1,057
<b>Total</b>	<u>16,961</u>	<u>15,898</u>

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

14 Revenue (continued)

(b) Contract balances

The following table provides information about trade receivables and contract assets/liabilities from contracts with customers.

	2023 \$'000	2022 \$'000
Trade receivables (Note 8)	2,931	2,860
Contract assets (Note 8)	128	268
Contract liabilities (Note 13)	(262)	(137)

The contract assets primarily relate to the Company's conditional rights to consideration for goods and services delivered and unbilled. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customers.

The contract liabilities solely relate to advance consideration received from customers for sale of goods.

Significant changes in the contract assets and contract liabilities balances during the year are as follows.

	2023		2022	
	Contract assets \$'000	Contract liabilities \$'000	Contract Assets \$'000	Contract liabilities \$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	-	137	-	340
Recognition of revenue, net of recognised in receivables	128	-	268	-
Increased (2022:Decreased) due to cash received, excluding amounts recognised as revenue during the year	-	262	-	137



**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**14 Revenue (continued)**

**(c) Transaction price allocated to remaining performance obligation**

The Company applies the practical expedient in paragraph 121 of FRS115 and does not disclose information about remaining performance obligations that have an original expected duration of one year or less, as allowed by FRS115.

**15 Other income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income on financial assets at amortised cost	21	13
Government grants	48	367
Marketing support to immediate holding company	320	320
Royalty fee	80	80
Others	4	4
	<u>473</u>	<u>784</u>

**16 Loss before tax**

The following item has been arrived at after charging/(crediting):

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
		<b>(Restated)</b>
Sales commission	30	104
(Reversal of)/allowance for slow moving	(19)	174
Contract labour	62	87
Foreign exchange loss, net	76	15
Insurance expenses	120	132
Interest expense	32	29
Repair and maintenance	116	124
Delivery expenses	446	358
Loss on disposal of debts investments	47	-
Traveling expenses	<u>133</u>	<u>77</u>
Staff costs (including key management compensation):		
- Wages and salaries	3,541	3,645
- Central Provident Fund contributions	459	479
- Other short-term benefits	<u>157</u>	<u>175</u>
	<u>4,157</u>	<u>4,299</u>

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**17 Tax expense**

	2023 \$'000	2022 \$'000
<b>Current tax expense</b>		
Current year	-	-

**Relationship between tax expense and accounting loss**

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2023 and 2022 were as follows:

	2023 \$'000	2022 \$'000
Loss before tax	(28)	(634)
Income tax using the statutory tax rate of 17% (2022: 17%)	(5)	(107)
Adjustments:		
- Non-deductible expenses	78	76
- Income not subject to tax	-	(19)
- Utilised deferred tax assets not recognised in prior years (Note 6)	(73)	(24)
	-	-

**18 Leases**

**Leases as lessee (FRS 116)**

The Company has leasehold property (Building and leased of land), office equipment and motor vehicles under lease arrangement. The leases typically run for a period from 3 to 60 years.

The leasehold building with upfront payments has been paid and the lease of land is where the building resides which lease was entered into in 1968 and due to expire in 2028. The Company makes annual lease payment for this lease of land.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

18 Leases (continue)

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	Property – leasehold building \$'000	Property - lease of land \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 April 2022	2,574	554	12	292	3,432
Depreciation for the year	(438)	(85)	(5)	(239)	(767)
Additions to right-of-use assets	89	-	32	512	633
Modification of right-of-use assets	-	10	-	-	10
Right-of-use assets written off	-	-	(13)	-	(13)
Balance at 31 March 2023	2,225	479	26	565	3,295
Balance at 1 April 2021	3,000	554	19	439	4,012
Depreciation for the year	(426)	(96)	(7)	(279)	(808)
Additions to right-of-use assets	-	96	-	132	228
Balance at 31 March 2022	2,574	554	12	292	3,432

Amount recognised in profit or loss

	2023 \$'000	2022 \$'000
<b>Lease under FRS 116</b>		
Depreciation expenses	767	808
Interest on lease liabilities	32	29

Total cash outflows

	2023 \$'000	2022 \$'000
Total cash outflow for leases	325	361

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's risk management policies are established to identify and analyse risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market condition and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables and amounts due from related parties.

The carrying amounts of financial assets at amortised cost and contract assets represent the maximum credit exposure. The Company does not hold any collateral in respect of its financial assets. The maximum exposure to credit risk as at reporting date is as follows:

	2023 \$'000	2022 \$'000
Debt investments at amortised cost	-	555
Trade and other receivables*	3,091	2,922
Contract assets	128	268
Cash and cash equivalents	4,654	4,362
	<u>7,873</u>	<u>8,107</u>

\* Excludes grant receivables and advances to supplier

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19 Financial instruments (continued)

Credit risk (continued)

Allowance for ECL on financial assets recognised in profit or loss were as follows.

	2023 \$'000	2022 \$'000
Reversal of ECL on trade receivables	(173)	(86)

*Trade receivables and contract assets (Lifetime ECL-Simplified)*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Company has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. If the customers are independently rated, these ratings are used. Otherwise, the credit quality of customers is assessed after taking into account its financial position and past experience with the customers.

For the year ended, the Company's five (2022: ten) major customers collectively accounted for approximately 41% (2022: 81%) of its total trade receivables, of which two (2022: four) customer's balance has been credit-impaired at the reporting date.

The Company assessed and estimated the forward-looking overlay adjustments on the historical credit loss rates taking into consideration the uncertainties in existing market conditions impacts on the credit risk profile of customers. The forward-looking overlay aims to reflect the differences in economic conditions during the period over which the historical loss data has been compiled, current conditions and the Company's expectations of the economic conditions that might affect recoverability of the Company's trade receivables and contract assets.

The Company believes that the concentration of its credit risk in trade receivables and contract assets is mitigated substantially by its credit evaluation process, credit policies and credit control and collection procedures.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19 Financial Instruments (continued)

Credit risk (continued)

A summary of the Company's exposures to credit risk for financial assets at amortised cost and contract assets is as follows:

	2023		2022	
	Not credit- impaired \$'000	Credit- impaired \$'000	Not credit- impaired \$'000	Credit- impaired \$'000
Debt investment at amortised cost	-	-	555	-
Third party trade receivables	2,953	355	2,862	1,151
Other receivables*	160	-	62	-
Contract assets	128	-	268	-
Cash and cash equivalents	4,654	-	4,362	-
Total gross carrying amount	7,895	355	8,109	1,151
Loss allowance	(22)	(355)	(2)	(1,151)
	7,873	-	8,107	-

\* Excludes grant receivables and advances to suppliers

**Other financial assets -debts investments amortised at cost and other receivables (12-month ECL)**

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been increase in the credit risk since the initial recognition of the financial assets. Impairment on these other financial assets has been measured on the 12-month expected loss basis and reflects the short maturities of exposures. The Company considers these financial assets to have low credit risk and the amount of the allowance on other receivables is insignificant.

**Cash and cash equivalents (12-month ECL)**

The Company held cash and cash equivalents of \$4,654,000 (2022: \$4,362,000) as at 31 March 2023. The cash and cash equivalents are held with bank and financial institution counterparties, which are mainly rated Aa1-Aa3 based on Moody's ratings.

ECL allowance on cash and cash equivalent has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers its cash and cash equivalents to have low credit risk based on external credit ratings of the banks and financial institution counterparties and as a result amount of the allowance on cash and cash equivalents is negligible.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19 Financial instruments (continued)

Credit risk (continued)

*Source of estimation uncertainty - Measurement of expected credit loss (ECL) allowance for trade receivables and contract assets*

Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Based on the credit ratings of the trade customers and the historical default rates, the expected credit loss on trade receivables of the Company which are past due but less than 90 days has been assessed to be insignificant.

*Source of estimation uncertainty - Measurement of expected credit loss (ECL) allowance for trade receivables and contract assets (continued)*

The followings tables provide information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2023 and 2022.

	Weighted average loss rate %	Not credit- impaired \$'000	Credit- impaired \$'000	Gross carrying amount \$'000	Expected loss allowance \$'000	Net \$'000
<b>31 March 2023</b>						
Contract assets	0.00	128	-	128	-	128
Trade receivable:						
Not past due	0.00	2,336	-	2,336	-	2,336
Past due						
- less than 30 days	0.00	342	-	342	-	342
- 30 to 60 days	2.35	156	-	156	(4)	152
- 61 to 90 days	11.73	114	-	114	(13)	101
- more than 90 days	100.00	5	355	360	(360)	-
<b>Total gross carrying amount</b>		<b>3,081</b>	<b>355</b>	<b>3,436</b>	<b>(377)</b>	<b>3,059</b>
Loss allowance		(22)	(355)			
		<b>3,059</b>	<b>-</b>			
<b>31 March 2022</b>						
Contract assets	0.00	268	-	268	-	268
Trade receivable:						
Not past due	0.00	2,287	-	2,287	-	2,287
Past due						
- less than 30 days	0.00	526	-	526	-	526
- 30 to 60 days	*	40	-	40	*	40
- 61 to 90 days	0.76	7	-	7	*	7
- more than 90 days	100.00	2	1,151	1,153	(1,153)	-
<b>Total gross carrying amount</b>		<b>3,130</b>	<b>1,151</b>	<b>4,281</b>	<b>(1,153)</b>	<b>3,128</b>
Loss allowance		(2)	(1,151)			
		<b>3,128</b>	<b>-</b>			

\*Insignificant ECL rates/allowances

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19 Financial instruments (continued)

Credit risk (continued)

*Movements in allowance for impairment in respect of trade receivables*

The Company's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	2023 Lifetime ECL (Simplified) \$'000	2022 Lifetime ECL (Simplified) \$'000
At 1 April	1,153	1,239
Reversal of/(allowance for), net in profit or loss		
-Allowance of ECL made	32	107
-Written back of allowance of ECL	(205)	(193)
	(173)	(86)
Written off	(603)	-
At 31 March	377	1,153

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The write back of allowance of ECL was made when the related trade debts were collected during the year or subsequently to year end. The amount ECL written off as the debtor has no realistic prospect of recovery.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial 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. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Line of credit facilities

As at 31 March 2023, the Company maintains the following lines of credit:

- \$750,000 of overdraft facility
- \$3,000,000 of trade facility – import lines
- \$2,300,000 of guarantee facility

The bank facilities set out above that are unutilised as at 31 March 2023 amounted to approximately \$2,486,000 (2022: \$2,630,000).

Among those bank facilities utilised, the Company has performance guarantee issued to the suppliers and customers in relation to maintenance services amounting to approximately \$2,012,000 (2022: \$1,175,000) as at 31 March 2023.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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19 Financial instruments (continued)

Liquidity risk (continued)

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Company's financial assets and liabilities, which are not measured at fair value, at the end of the reporting period based on contractual undiscounted repayment obligations.

	Cash flows				
	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	Between 1 and 5 years \$'000	After 5 years \$'000
<b>31 March 2023</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables *	2,549	2,549	2,549	-	-
Lease liabilities	929	1,002	319	648	35
	<u>3,478</u>	<u>3,551</u>	<u>2,868</u>	<u>648</u>	<u>35</u>
<b>31 March 2022</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables *	3,018	3,018	3,018	-	-
Lease liabilities	684	765	269	393	103
	<u>3,702</u>	<u>3,783</u>	<u>3,287</u>	<u>393</u>	<u>103</u>

v\*Excludes contract liabilities, goods and services tax payable and deferred grant income.

**Market risk**

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

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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19 Financial instruments (continued)

Market risk (continued)

*Foreign currency risk*

The Company is exposed to transactional foreign currency risk arising from its debt investments in quoted bonds and equities that are denominated in a currency other than the Singapore dollar, primarily the United States dollar (USD) and Hong Kong Dollar (HKD).

A summary of quantitative data about the Company's exposure to foreign currency risk is as follows:

	USD \$'000	HKD \$'000
<b>31 March 2023</b>		
<b>Financial assets</b>		
Trade and other receivables*	146	742
Cash and cash equivalents	413	691
	<u>559</u>	<u>1,433</u>
<b>Financial liabilities</b>		
Trade and other payables	(204)	(150)
Net currency exposure	<u>355</u>	<u>1,283</u>
<b>31 March 2022</b>		
<b>Financial assets</b>		
Trade and other receivables*	181	711
Cash and cash equivalents	298	1,137
	<u>479</u>	<u>1,848</u>
<b>Financial liabilities</b>		
Trade and other payables*	(209)	(137)
Net currency exposure	<u>270</u>	<u>1,711</u>

\*Excludes grant receivables, contract assets/liabilities, goods and services tax payable and deferred grant income.

*Sensitivity analysis*

A 10% (2022: 10%) strengthening of the following currencies against the functional currency of the Company at the reporting date would decrease loss before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of firm commitments and highly probable forecast transactions in foreign currencies. The analysis is performed on the same basis for 2022.

	Increase/(decrease) Loss before tax	
	2023 \$'000	2022 \$'000
USD	(36)	(27)
HKD	<u>(128)</u>	<u>(171)</u>

A 10% (2022: 10%) weakening of the above currencies against the functional currency of the Company at the statement of financial position date would have equal but opposite effects on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19 Financial instruments (continued)

*Interest rate risk*

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of the changes in market interest rate.

*Exposure to interest rate risk*

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carrying amount	
	2023 \$'000	2022 \$'000
<b>Fixed rate instruments</b>		
Other investments	-	555
Short-term deposits	2,530	1,500
Lease liabilities	(929)	(684)

*Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, in respect of the fixed rate instrument, a change in interest rates at the reporting date would not affect profit or loss.

20 Fair value of assets and liabilities

*Fair value hierarchy*

The Company classifies fair value measurement 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

There have been no transfers between fair value measurement levels during the financial years ended 31 March 2023 and 2022.

**Fair value of measurement on assets are measured at fair value on a recurring basis.**

The Company's property is measured using revaluation method which the fair value measurement details are disclosed in Note 4.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

20 Fair value of assets and liabilities (continued)

Fair value of assets and liabilities that are not measured at fair value on a recurring basis

Accounting classifications and fair values of financial Instruments

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 March 2023</b>							
<b>Financial assets not measured at fair value</b>							
Debt investments at amortised cost	-	-	-	-	-	-	-
Trade and other receivables *	3,091	-	3,091	-	-	-	-
Cash and cash equivalents	4,654	-	4,654	-	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables **	-	2,549	2,549	-	-	-	-
Lease liabilities	-	929	929	-	-	-	-

\* Excludes grant receivables and contract assets

\*\* Excludes contract liabilities, goods and services tax payable and deferred grant income

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

20 Fair value of assets and liabilities (continued)

Fair value of assets and liabilities that are not measured at fair value on a recurring basis (continued)

Accounting classifications and fair values of financial Instruments (continued)

	Carrying amount			Fair value			
	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 March 2022</b>							
<b>Financial assets not measured at fair value</b>							
Debt investments at amortised cost	555	-	555	514	-	-	514
Trade and other receivables *	2,931	-	2,931	-	-	-	-
Cash and cash equivalents	4,362	-	4,362	-	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables **	-	3,018	3,018	-	-	-	-
Lease liabilities	-	684	684	765	-	-	765

\* Excludes grant receivables and contract assets

\*\* Excludes contract liabilities, goods and services tax payable and deferred grant income

The fair value of debt investments is derived from their market quoted prices at the reporting date.

The fair values of cash and cash equivalents, trade and other receivables and trade and other payables are reasonably approximate their carrying amounts because these are short term in nature and are repriced frequently.

The fair value of lease liabilities based on discounted cash flows analysis at market incremental lending rates for similar type of lending or leasing arrangement at the end of the reporting date, which is approximately the carrying amount as disclosed in Note 11.

CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

21 Related parties

*Compensation of key management personnel*

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including directors and officers of the Company, and close members of the families of such individuals.

The key management personnel compensation included in staff costs are as follows:

	2023 \$'000	2022 \$'000
Salaries and bonuses	291	280
Employer's contribution to Central Provident Fund	13	12
	<u>304</u>	<u>292</u>

*Other related party transactions*

Related company refers to member of the group entities of the immediate holding company.

During the year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	2023 \$'000	2022 \$'000
<u>(Income)/expense</u>		
Sale of goods to immediate holding company	-	(26)
Purchases from related company	164	59
Purchases from immediate holding company	5,496	5,160
Marketing support income from immediate holding company	(320)	(320)
Expenses recharged by related company	<u>2</u>	<u>9</u>

22 Comparative information

Reclassifications

Certain components in the statement of profit or loss and other comprehensive income for the previous financial year ended 31 March 2022 have been reclassified as to conform with the nature of the underlying transactions and current year presentation.

Apart of these reclassifications in this statement and restatement in the respective notes to accounts, other comparative information in these financial statements has not been impacted.

**CHLORIDE BATTERIES S. E. ASIA PTE. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**23 Authorisation for Issue of Financial Statements**

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of approval of directors' statement.