CHLORIDE BATTERIES S.E. ASIA PTE. LIMITED

Balance Sheet

And

Auditors' Report

2019-20

Auditors:

KPMG LLP

Chartered Accountants

16 Raffles Quay #22-00

Hong Leong Building

Singapore 048581

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2020.

In our opinion:

(a) the financial statements set out on pages FS1 to FS37 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020and 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, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Gautam Chatterjee
A K Mukherjee
Avik Roy
Freddy Tan Teng Siah

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (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:

	Direct interest	
Name of director and corporation in which interests are held	**Holdings at beginning of the year**	**Holdings at end of the year**
Ordinary shares of the holding company		
Exide Industries Limited		
Gautam Chatterjee	10,000	10,000
A K Mukherjee	1,000	1,000
Avik Roy	1,000	1,000

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.

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.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Sd/-

Avik Roy
Director

Sd/-

Freddy Tan Teng Siah
Director

30 June 2020

KPMG LLP
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Independent auditors' report

Member of the Company
Chloride Batteries S.E. Asia Pte. Limited

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 2020, the statements of comprehensive income, changes in equity and cash flowsfor the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS37.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the financial statements

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

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

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

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.

- 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.

Sd/-

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2020

Statement of financial position
As at 31 March 2020

	Note	2020 $'000	2019 $'000
Assets			
Property, plant and equipment	4	4,440	4,230
Investment in subsidiary	5	3	3
Other investments	6	563	–
Deferred tax assets	7	615	797
Non-current assets		5,621	5,030
Inventories	8	2,727	3,280
Trade and other receivables	9	6,556	5,921
Prepaidoperatingexpenses		20	30
Cash and cash equivalents		2,844	4,082
Current assets		12,147	13,313
Total assets		17,768	18,343
Equity			
Share capital	10	9,737	9,737
Revaluation reserve		4,741	4,741
Accumulated losses		(2,716)	(2,873)
Equity attributable to owners of the Company		11,762	11,605
Liabilities			
Deferred tax liabilities	7	640	718
Lease liabilities	11	524	–
Non-current liabilities		1,164	718
Provisions	12	517	902
Trade and other payables	13	4,194	5,118
Lease liabilities	11	131	–
Current liabilities		4,842	6,020
Total liabilities		6,006	6,738
Total equity and liabilities		17,768	18,343

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

Statement of comprehensive income
Year ended31 March 2020

	Note	2020 $'000	2019 $'000
Revenue	14	22,339	27,311
Other operating income	15	444	38
Decreasein inventories of manufactured finished goods and work-in-progress	8	(70)	(179)
Raw materials consumed	8	(1,726)	(2,434)
Cost of purchased trading goods sold	8	(15,721)	(18,767)
Staff costs		(3,305)	(2,924)
Depreciation of property, plant and equipment	4	(625)	(495)
Other operating expenses		(1,021)	(2,795)
Interest expenses		(29)	–
Profit/(Loss) before tax	16	286	(245)
Tax (expense)/credit	17	(129)	13
Profit/(Loss) for the year, representing totalcomprehensive incomefor the year		157	(232)

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

Statement of changes in equity
Year ended31 March 2020

	Share capital $'000	Revaluation reserve [1] $'000	Accumulated losses $'000	Total equity $'000
At 1 April 2018	9,737	4,741	(2,641)	11,837
Total comprehensive loss for the year				
Loss for the year	–	–	(232)	(232)
Total comprehensive loss for the year	–	–	(232)	(232)
At 31 March 2019	9,737	4,741	(2,873)	11,605
At 1 April 2019	9,737	4,741	(2,873)	11,605
Total comprehensive income for the year				
Profit for the year	–	–	157	157
Total comprehensive income for the year	–	–	157	157
At 31 March 2020	9,737	4,741	(2,716)	11,762

[1] Revaluation reserve relates to surplus arising on revaluation of property, plant and equipment.

Statement of cash flows
Year ended31 March 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Profit/(Loss) before tax		286	(245)
Adjustments for:			
Depreciation of property, plant and equipment	4	625	495
Write-off of property, plant and equipment		1	–
Write-off of inventory	16	87	–
Interest income	15	(5)	–
Interest expenses	16	29	3
Unrealised foreign currency gain		(158)	(53)
Provision for warranty claims	16	152	282
Provision for warranty claims written back	16	(500)	–
Provision for leave entitlement	16	10	(24)
Allowance for doubtful trade debts	16	159	753
Allowance for doubtful trade debts written back	16	(206)	(2)
		480	1,209
Changes in:			
- inventories		466	811
- trade and other receivables and prepaid operating expenses		(456)	(489)
- trade and other payables, accrued operating expenses and provisions		(988)	(851)
Cash (used in)/generated from operating activities		(498)	680
Tax paid		(24)	–
Net cash(used in)/from operating activities		(522)	680
Cash flows from investing activities			
Interest received		4	–
Purchase of investments		(562)	–
Purchase of property, plant and equipment		(67)	(35)
Net cash used in investing activities		(625)	(35)
Cash flows from financing activities			
Repayment of lease liabilities		(114)	–
Interest paid		(29)	(3)
Net cash used in financing activities		(143)	–
Net (decrease)/increase in cash and cash equivalents		(1,290)	642
Cash and cash equivalents at the beginning of the year		4,082	3,387
Effect of exchange rates changes on balance held in foreign currencies		52	53
Cash and cash equivalents at the end of the year		2,844	4,082

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2020.

1 Domicile and activities

Chloride Batteries S.E. Asia Pte. Limited ('the Company') is incorporated 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, a company incorporated 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 Singapore Financial Reporting Standards (FRS).

Consolidated financial statements are not prepared as the Company met the exempt criteria under FRS 110 *Consolidated Financial Statements* and is a wholly-owned subsidiary of Exide Industries Limited ("EIL"), a company incorporated in India, which prepares consolidated financial statements. Exide Industries Limited ("EIL") has its registered office at Exide House, 59E Chowringhee Road, Kolkata 700020, West Bengal, India.

This is the first set of the Company's annual financial statements in which FRS 116 *Leases* has been applied. The related changes to significant accounting policies are described in Note 2.5.

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.

2.4 Use of 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 significant areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant effect on the amount recognised in the financial statements is included in the followings notes:

- Note 12– provisions

2.5 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2019:

- FRS 116 *Leases*
- FRS INT 123 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to FRS 28)
- *Prepayment Features with Negative Compensation* (Amendments to FRS 109)
- *Previously Held Interest in a Joint Operation* (Amendments to FRS 103 and 111)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to FRS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to FRS 23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to FRS 19)

Other than FRS 116, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

FRS 116 *Leases*

The Company applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under INT FRS 104*Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Company leases many assets including land, office equipment and motor vehicles. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under FRS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under FRS 17

Previously, the Company classified property leases as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at either:

- their carrying amount as if FRS 116 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

- The Company used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Company:
- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Impact on financial statements

Impact on transition

On transition to FRS 116, the Company recognised additional right-of-use assets, including lease of land, office equipment and motor vehicles and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	1 April 2019 $'000
Right-of-use assets – property, plant and equipment	675
Lease liabilities	(675)

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 4.83%.

	1 April 2019 $'000
Operating lease commitments at 31 March 2019 as disclosed under FRS 17 in the Company's financial statements	901
Discounted using the incremental borrowing rate at 1 April 2019	698
- Recognition exemption for leases with less than 12 months of lease term at transition	(23)
Lease liabilities recognised at 1 April 2019	675

3 Significant accounting policies

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

(i) Subsidiary

Subsidiaryis anentity controlled by the Company.The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company is exempted from preparing consolidated financial statements by virture of FRS 27 – *Consolidated and Separate Financial Statements* as the ultimate holding company is Exide Industries Limited which prepares consolidated financial statements. The consolidated financial statements prepared by Exide Industries Limited which has its registered office at Exide House, 59E Chowringhee Road, Kolkata, 700020, West Bengal, India.

3.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of theCompany 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

(i) 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.

(ii) 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).

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 par amount, 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 assetsare measured at amortised cost when it is not designated as FVTPL and it is held within a business model with the objective to hold assets to collect contractual cash flows and the contractual terms of the asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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 derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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 comprise trade and other payables.

(iii) 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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which 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.

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.

(iv) Offsetting

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.

(v) 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.

(vi) Share capital

Ordinary shares

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.

3.3 Impairment

Non-derivative financial assets

The Company assesses loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised costs (including amounts due from related parties, trade receivables and cash and cash equivalents).

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. 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 instruments. 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 instrument 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 instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The 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 is more than 90 days past due.

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 or being more than 90 days past due;
- 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.

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 to sell. 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.

3.4 Property, plant and equipment

Recognition and measurement

Property, plant and equipment 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.

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.

Depreciation is recognised as an expense in profit or losson 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. Freehold land is not depreciated.

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:

• Plant and equipment	10 years
• Fixtures, fittings and office equipment	3 - 10 years
• Motor vehicles	5 years

Leasehold building and land

The lease, which was acquired in 1968, expires in 2028. The revalued amounts or the cost of leasehold building and landare 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.

3.5 Leases

The Company has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 April 2019

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.

This policy is applied to contracts entered into, on or after 1 April 2019.

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 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.

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.

Policies applicable before 1 April 2019:

The Company determines whether an arrangement is or contains a lease at inception.

At the inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

Operating lease

When the Company is lessee of an operating lease

Where the Company has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

3.6 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 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 on a first-in first-out 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.

3.7 Employee benefits

(i) Defined contribution plans

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Company make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) 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.

3.8 Provisions

(i) 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.

(ii) Warranty provisions

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

3.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the Company satisfies a Performance Obligation (PO) by transferring control of a promised good to the customer. This is usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and that the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

The amount of revenue recognised is the amount of transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO 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.

Sale of goods

Revenue derived from sale of goods is usually recognised at the point in time when the product is received at the customer's warehouse.

3.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants related income are presented as a credit in profit or loss, under heading "Other operating income".

3.11 Tax

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

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.

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 investments in subsidiaries, associates and joint arrangements 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.

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 utilised. 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.

In determining the amount of current and deferred tax, the Companytakes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Companybelieves that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Companyto change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.12 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company’s financial statements.

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- FRS 117 *Insurance Contracts*
- *Interest Rate Benchmark Reform* (Amendments to FRS 39, FRS 107 and FRS 109)
- *Covid-19-Related Rent Concessions* (Amendment to FRS11)
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)

4 Property, plant and equipment

	Leasehold building $'000	Right-of-use asset – lease of land $'000	Plant and equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Cost or valuation						
At 1 April 2018	5,910	–	665	834	–	7,409
Additions	–	–	9	26	–	35
At 31 March 2019	5,910	–	674	860	–	7,444
At 1 April 2019	5,910	–	674	860	–	7,444
Recognition of right-of use assets on initial application of FRS 116	–	507	–	33	135	675
Adjusted balance 1 April 2019	5,910	507	674	893	135	8,119
Additions	–	–	53	14	94	161
Write-off	–	–	–	(1)	–	(1)
At 31 March 2020	5,910	507	727	906	229	8,279
Representing:						
Cost	1,110	507	727	906	229	3,479
Valuation	4,800	–	–	–	–	4,800
	5,910	507	727	906	229	8,279
Accumulated depreciation						
At 1 April 2018	1,501	–	476	742	–	2,719
Charge for the year	440	–	29	26	–	495
At 31 March 2019	1,941	–	505	768	–	3,214
Charge for the year	439	54	32	34	66	625
At 31 March 2020	2,380	54	537	802	66	3,839
Carrying amounts						
At 1 April 2018	4,409	–	189	92	–	4,690
At 31 March 2019	3,969	–	169	92	–	4,230
At 31 March 2020	3,530	453	190	104	163	4,440
Carrying amounts						
At 31 March 2019						
Cost	369	–	169	92	–	630
Valuation	3,600	–	–	–	–	3,600
Total	3,969	–	169	92	–	4,230
At 31 March 2020						
Cost	330	453	190	104	163	1,240
Valuation	3,200	–	–	–	–	3,200
Total	3,530	453	190	104	163	4,440

The Company engaged Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent valuer to determine the fair value of the leasehold building. The leasehold building was revalued on 31 March 2016 based on open market value and subsequent additions are recorded at cost. If this property was measured using the cost model, the carrying amount would be as follows:

	Leasehold building $'000
Carrying amount	
At 31 March 2019	369
At 31 March 2020	330

Assets pledged as security

Leasehold building with a carrying amount of $3,530,000 (2019: $3,969,000) is mortgaged to secure the Company's banking facilities.

5 Investment in subsidiary

	2020 $'000	2019 $'000
Unquoted equity shares, at cost	3	3

Details of investment in subsidiary are as follows:

Nameofsubsidiary	Principal activities	Country of incorporation	Equityholding 2020 %	2019 %
Exide Batteries (Pvt) Limited	Dormant	Sri Lanka	100	100

The subsidiary has not commenced operations since its incorporation.

6 Other investments

	2020 $'000	2019 $'000
Non-current:		
Debt investments- at amortised cost	563	–

Debt investments classified as at amortised cost have stated interest rates of 2.75% to 3.22% and mature in 6 to 26 years. The Company intends 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.

These investments are managed by external investment managers appointed by the Company and are held with an appointed external custodian.

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 note 19.

7 Deferred tax assets/liabilities

The nature and movements in deferred tax assets and deferred tax liabilities during the year are as follows:

	At 1 April 2019 S$'000	Recognised in profit or loss (Note 17) S$'000	At 31 March 2019 S$'000	Recognised in profit or loss (Note 17) S$'000	At 31 March 2020 S$'000
Deferred tax assets					
Provisions	(125)	(29)	(154)	65	(89)
Tax losses	(113)	(11)	(124)	(309)	(433)
Unutilised capital allowances	(550)	31	(519)	428	(91)
Leases	–	–	–	(2)	(2)
	(788)	(9)	(797)	182	(615)
Deferred tax liabilities					
Differences in depreciation for tax purposes	42	64	106	(10)	96
Revaluation to fair value - property, plant and equipment	680	(68)	612	(68)	544
	722	(4)	718	(78)	640
Net deferred tax (assets)/liabilities	(66)	(13)	(79)	104	25

Estimated tax losses and unutilised capital allowances of approximately $2,546,000 and $539,000(2019: $3,134,000 and $491,000) respectively, which are available to set off against future income are subject to the approval and agreement with the tax authority. These losses and other deductible temporary differences do not expire under current tax legislation.

8 Inventories

	2020 $'000	2019 $'000
Raw materials	290	398
Work-in-progress	63	–
Finished goods	2,374	2,882
	2,727	3,280

During the year, the following have been recognised as expense in statement of comprehensive income:

	2020 $'000	2019 $'000
Decrease in inventories of manufactured finished goods and work-in-progress	70	179
Raw materials consumed	1,726	2,434
Cost of purchased trading goods sold	15,721	18,767

9 Trade and other receivables

	2020 $'000	2019 $'000
Trade receivables from external parties	6,961	6,601
Less: Allowance for impairment losses	(706)	(775)
	6,255	5,826
Amount due from related company	80	68
Deposits	17	22
Advances and staff loans	5	5
Grant receivable	199	–
Trade and other receivables	6,556	5,921

Related party balances, staff loans and grant receivable

Amount due from related company is non-trade related, unsecured, non-interest bearing, repayable upon demand and is to be settled in cash.

Staff loans are mainly unsecured, repayable on demand and non-interest bearing.

Grant receivable pertains to grant from government on Jobs Supports Scheme and property tax rebate.

10 Share capital

	2020		2019	
	No of shares '000	$'000	No of shares '000	$'000
Ordinary shares issued and fully paid				
At the beginning and end of the financial year	7,000	9,737	7,000	9,737

The holders of ordinary shares are 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.

11 Lease liabilities

	2020 $'000	2020 $'000
Current liabilities		
Lease liabilities	131	–
Non-current liabilities		
Lease liabilities	524	–
	655	–

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

	Lease liabilities $'000
Balance as at 1 April 2019	675
Changes from financing cash flows	
Payment of lease liabilities	(114)
Interest paid	(29)
Total changes from financing cash flows	(143)
Other changes	
Interest expense	29
New leases	94
Total other changes	123
Balance as at 31 March 2020	655

12 Provisions

	2020 $'000	2019 $'000
Provision for warranty claims	389	784
Provision for employee leave entitlement	128	118
	517	902

Movements in provision for warranty claims are as follows:

	2020 $'000	2019 $'000
At 1 April	784	592
Charge during the financial year	152	282
Write-back during the financial year	(500)	–
Utilised during the financial year	(47)	(90)
At 31 March	389	784

Movements for provision for employee leave entitlement are as follows:

	2020 $'000	2019 $'000
At 1 April	118	142
Charge/(Write-back) during the financial year	10	(24)
At 31 March	128	118

13 Trade and other payables

	2020 $'000	2019 $'000
Trade payables:		
- External parties	1,239	1,222
- Holding company	1,532	2,400
- Related company	50	101
	2,821	3,723
Other payables - External parties	–	268
Accrued operating expenses	904	1,032
	3,725	5,023
Goods and services tax payable	138	95
Advances received from customers	132	–
Deferred grant income	199	–
Trade and other payables	4,194	5,118

Trade and other payables are non-interest bearing and normally settled on 30 to 90 day terms.

14 Revenue

	2020 $'000	2019 $'000
Sale of goods	22,339	27,311

Nature of services	Sales of industrial battery chargers
When revenue is recognised	Revenue is recognised at a point in time when goods have been delivered and accepted by customers.
Significant payment terms	The payments are due upon delivery or upon agreed terms (30-90 days terms).
Obligations for warranties	Industrial battery chargers mainly come with standard warranty terms of one to three years, under which customers are able to return and replace any defective products.

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets.

	2020 $'000	2019 $'000
Primary geographical markets		
Singapore	9,389	9,996
Hong Kong	4,855	5,364
Indonesia	1,802	1,772
Malaysia	1,143	3,524
Thailand	3,490	3,457
Others	1,660	3,198
Total	22,339	27,311

(b) 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 operating income

	2020 $'000	2019 $'000
Wage Credit Scheme cash grant	15	32
Special/Temporary employment credit cash grant	21	6
Marketing support from holding company	320	–
Royalty fee	80	–
Property tax rebate	3	–
Interest income	5	–
	444	38

16 Profit/(loss) before tax

The following item has been included in arriving at profit/(loss) before tax:

	2020 $'000	**2019 $'000**
Allowance for doubtful trade debts	159	753
Allowance for doubtful trade debts written back	(206)	(2)
Foreign exchange gain	(104)	(8)
Provision for warranty claims	152	282
Provision for warranty claims written back	(500)	–
Provision for leave entitlement	10	(24)
Write-off of inventory	87	–
Leases expenses	23	169
Staff costs	3,305	2,924
Interest expense on lease liabilities	29	–

	2020 $'000	**2019 $'000**
Staff costs (including key management compensation)		
Wages and salaries	2,913	2,618
Central Provident Fund contributions	319	258
Other short-term benefits	73	48
	3,305	2,924

17 Tax expense/(credit)

	2020 $'000	**2019 $'000**
Current tax expense		
Withholding tax paid	25	–
Deferred tax expense		
Origination and reversal of temporary differences	80	(13)
Under provision in prior years	24	–
	104	(13)
Total tax expenses/(credit)	129	(13)

Reconciliation of effective tax rate

	2020 $'000	**2019 $'000**
Profit before tax	286	(245)
Tax using Singapore tax rate of 17% (2019: 17%)	48	(42)
Non-deductible expenses	33	31
Non-taxable income	(1)	–
Underprovision in prior years	24	–
Withholding tax paid	25	–
Others	–	(2)
	129	(13)

18 Leases

Leases as lessee (FRS 116)

The Company leases land, office equipment and motor vehicles. The leases typically run for a period of 3 to 60 years.

The land lease was entered into many years ago. Previously the lease of land was classified as operating leases under FRS 17.

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).

	Right-of-use assets – lease of land $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 April 2019	507	33	135	675
Depreciation charge for the year	(54)	(7)	(66)	(127)
Additions to right-of-use assets	–	–	94	94
Balance at 31 March 2020	453	26	163	642

Amount recognised in profit or loss

2020- Lease under FRS 116	**$'000**
Interest on lease liabilities	29
Expenses relating to short-term leases	23
2019 - Operating lease under FRS 17	
Lease expense	169

Amount recognised in statement of cash flows

	2020 $'000
Total cash outflow for leases	143

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 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:

	Note	2020 $'000	2019 $'000
Trade and other receivables	9	6,556	5,921
Cash and cash equivalents		2,844	4,082
		9,400	10,003

Impairment losses on financial assets recognised in profit or loss were as follows.

	2020 $'000	2019 $'000
Impairment loss on trade receivables	159	753

Trade and other receivables

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 eight major customers collectively accounted for approximately 75% (2019: 69%) of its total trade and other receivables, of which one customer's balance has been credit-impaired at the reporting date. The Company believes that the concentration of its credit risk in trade and other receivables is mitigated substantially by its credit evaluation process, credit policies and credit control and collection procedures.

A summary of the Company's exposures to credit risk for trade and other receivablesis as follows:

	2020		**2019**	
	Not credit-impaired $'000	**Credit-impaired $'000**	**Not credit-impaired $'000**	**Credit-impaired $'000**
Third party trade receivables	6,255	706	5,826	775
Third party other receivables	221	–	27	–
Related party trade receivables	80	–	68	–
Total gross carrying amount	6,556	706	5,921	775
Loss allowance	–	(706)	–	(775)
	6,556	–	5,921	–

Expected credit loss assessment

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 was assessed to be insignificant.

Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of exposures. The Company considers its other receivables to have low credit risk and the amount of the allowance on other receivables is insignificant.

The followingstables provide information about the exposure to credit risk and ECLs for trade and other receivables as at 31 March 2020:

	2020		2019	
	Gross carrying amount $’000	**Impairment loss allowance $’000**	**Gross carrying amount $’000**	**Impairment loss allowance $’000**
Not past due	4,195	–	3,763	–
Past due				
- less than 30 days	763	–	811	–
- 30 to 60 days	427	(3)	612	–
- 61 to 90 days	777	(5)	326	–
- more than 90 days	1,100	(698)	1,183	(775)
	7,262	(706)	6,696	(775)

Movements in allowance for impairment in respect of trade and other receivables

Other than the impairment loss of $706,000 relating to several customer facing financial difficulties during the year, the Company has assessed that there is no other impairment loss required and that the expected credit loss allowance was insignificant on the date of initial application and at year end.

The Company's trade and other 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:

	2020	2019
	Lifetime ECL $’000	**Lifetime ECL $’000**
At 1 April	775	24
Charge for the financial year	159	753
Written back	(206)	(2)
Written off	(22)	–
At 31 March	706	775

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 was made when the related trade debts were subsequently collected.

Cash and cash equivalents

The Company held cash and cash equivalent of $2,844,000 (2019: $4,082,000) at 31 March2020. The cash and cash equivalents are held with bank and financial institution counterparties, which are mainly rated Aa2 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.

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.

The Company's financial liabilities, which are trade and other payables, accrued operating expenses and loans and borrowings, mature within one year of the end of the reporting period.

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
31 March 2020					
Non-derivative financial liabilities					
Trade and other payables	3,725	3,725	3,725	–	–
Lease liabilities	655	783	156	386	241
	4,380	4,508	3,881	386	241
31 March 2019					
Non-derivative financial liabilities					
Trade and other payables	5,023	5,023	5,023	–	–

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.

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
31 March 2020		
Financial assets		
Trade and other receivables	754	1,809
Cash and cash equivalents	208	375
	962	2,184
Financial liabilities		
Trade and other payables	(569)	(152)
Net currency exposure	393	2,032
31 March 2019		
Financial assets		
Trade and other receivables	426	1,254
Cash and cash equivalents	998	1,117
	1,424	2,371
Financial liabilities		
Trade and other payables	(1,276)	(321)
Net currency exposure	148	2,050

Sensitivity analysis

A 10% (2019: 10%) strengthening of the following currencies against the functional currencies of the Company at the balance sheet date would increase/(decrease) profit 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 2019.

	Profit before tax	
	2020 $'000	2019 $'000
USD	39	15
HKD	203	205

A 10% (2019: 10%) weakening of the above currencies against the functional currencies of the Company at the balance sheet 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.

Interest rate risk

The Company is not exposed to any significant market risk for changes in interest rates.

Fair value of financial instruments

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 2020and 2019.

Determination of fair value

The following table shows an analysis of asset measured at fair value at the end of the balance sheet date:

	Fair value measurements at the end of the year using			
	Quoted prices in active markets for identical instruments (Level 1) $'000	**Significant observable inputs other than quoted prices (Level 2) $'000**	**Significant unobservable input (Level 3) $'000**	**Total $'000**
2020				
Non-financial assets				
Other investments	583	–	–	583
Leasehold building	–	3,200	–	3,200
2019				
Non-financial assets				
Leasehold building	–	3,600	–	3,600

For leasehold building, a significant increase (decrease) in yield adjustments based on external valuer's assumptions would result in significantly lower (higher) fair value measurement.

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

Valuation policies and procedures

The valuation is performed by external valuation experts, Colliers International Consultancy & Valuation (Singapore) Pte Ltd. In selecting the appropriate valuation models and inputs, the external valuation experts have calibrated the valuation models and inputs to actual market transactions that are relevant to the valuation.

Accounting classifications and fair values

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			
	Note	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 March 2020								
Financial assets not measured at fair value								
Other investment	6	563	–	563	583	–	–	583
Trade and other receivables	9	6,556	–	6,556				
Cash and cash equivalents		2,844	–	2,844				
		9,963	–	9,963				
Financial liabilities not measured at fair value								
Trade and other payables	13	–	3,725	3,725				

		Carrying amount			Fair value			
	Note	**Financial assets at amortised cost $'000**	**Other financial liabilities $'000**	**Total $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 March 2019								
Financial assets not measured at fair value								
Trade and other receivables	6	5,921	–	5,921				
Cash and cash equivalents		4,082	–	4,082				
		10,003	–	10,003				
Financial liabilities not measured at fair value								
Trade and other payables	13	–	5,023	5,023				

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

20 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel is 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:

	2020 $'000	2019 $'000
Key management compensation		
- Salaries and other benefits	342	289
- Central Provident Fund contributions	13	14
	355	303

Other related party transactions

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:

	2020 $'000	2019 $'000
Sale of goods to holding company	(1)	(35)
Purchases from related company	385	646
Purchases from holding company	8,093	12,219
Trademark expenses paid to related company	–	5

21 Subsequent event

Coronavirus outbreak

The novel coronavirus (COVID-19) outbreak since early 2020 is likely to impact the immediate short-term revenue of the Company. It is currently difficult to predict the magnitude of the global economy and investor sentiment as the tenure and severity of this virus outbreak is still unknown. The Company does not think that the virus outbreak is likely to have any long-term impact on its revenue and continues to monitor the impact of the virus outbreak as part of its risk managementactivities.