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**GLOBAL AUTOMOTIVE & APPLIANCES PTE. LTD.**

*(Company Registration No. 200822011Z)*

Financial Statements For The Year Ended March 31, 2024

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# Global Automotive & Appliances Pte. Ltd.

*(Incorporated in the Republic of Singapore)*

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## Directors

Diptanil Saha

Bikramjit Nag

Bijon Bhusan Nag (Deceased on 28.01.2024)

## Secretary

Siew Boon Him

## Registered Office

50 Raffles Place

#14-01 Singapore Land Tower

Singapore 048623

## Auditors

Natarajan & Swaminathan

Chartered Accountants of Singapore

1 North Bridge Road

#19-04/05 High Street Centre

Singapore 179094

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# Global Automotive & Appliances Pte. Ltd.

## Directors' Statement

*For the financial year ended March 31, 2024*

With profound grief we, the Board of Directors communicate the sad demise of our Director Mr. Bijon Bhusan Nag on 28th January 2024. He will be remembered for his vision, technical acumen and leadership quality. He was also the Chairman of our Holding Company IFB Industries Limited.

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2024.

### 1 Directors

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

Diptanil Saha

Bikramjit Nag

### 2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of 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 through the acquisition of shares in, or debentures of the Company or any other body corporate.

### 3 Directors' interests in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

<u>Name of director</u>	<u>At beginning of year</u>	<u>At end of year</u>
<i>Number of ordinary shares</i>		
Diptanil Saha	1	1

The above director is holding one share as nominee of the holding company, IFB Industries Limited, India (IFBIL) a company incorporated in the Republic of India which is also the ultimate holding company.

### 4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of 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.

# Global Automotive & Appliances Pte. Ltd.

## Directors' Statement

For the financial year ended March 31, 2024

### 5 Financial results

The Company has recorded a total revenue of US\$7.91 Million during the Year under review which is its sixth year of business operation. It may be pertinent to mention that since its formation in November 2008, GAAL acted as an investment company. Since FY 2018-19 GAAL engaged in Business Operations mainly trading and distribution in electronic parts and components. The summarised financial performances are enumerated below:

<u>Particulars</u>	<u>(In USD Million)</u>	
	<u>2023 - 2024</u>	<u>2022 - 2023</u>
Sales & Other Income	7.91	5.42
Total Expenditure	7.10	5.31
EBDITA	0.82	0.11
PBDT	0.82	0.11
PBT	0.81	0.11
Tax	0.13	0.01
PAT	0.68	0.1

### 6 Review of operations

The Company achieved revenue of US\$7.91 Million an increase of 46% as compared to US\$5.42 Million in the previous year. We have seen a sharp growth in revenue in this financial year due to additional parts and electronic consolidation project done with end customer. This project has given additional business from other verticals like AC from end customer.

Expenditure includes cost of materials, freight & insurance, overheads and employee expenses.

The PBDIT for the financial year 23-24 is 10.32% which is again a sharp growth compared to last financial year and the major heads are:

- Additional revenue gain from end customers for specific projects done
- Freight is controlled way below the acceptable range due to maximum parts aligned through sea freight and continuous negotiation with multiple forwarders to get best price in sea and air shipments

GAAL is in regularly exploring with multiple channels to avoid expenses of freight etc which in turns giving a good performance in financials.

### 7 Future outlook

The Semiconductor sector was heavily affected due to COVID -19 which has disrupted the entire worldwide supply chain for almost two and half year. The semiconductor supply chain situation relaxed since Q4'23 onwards. We have seen stability in regular supply chain with reducing lead time of the semiconductor parts back to 12 to 18 weeks throughout the financial year 23-24.

GAAL is having regular discussion with all the suppliers (manufacturers and distributors) to track the supply chain and cost tightly.

During the financial year, GAAL has successfully worked on consolidation project with end customer. The results are clearly seen in the revenue of the financial year 23-24. With this consolidation project GAAL has grabbed additional annual business of USD 3.7 Million for AC vertical of our end customer.

# Global Automotive & Appliances Pte. Ltd.

## Directors' Statement

For the financial year ended March 31, 2024

### 7 Future outlook (Cont'd)

In this financial year we have also worked very closely with our end customer for new product line up of WM as well , which will give us additional USD 2.5 Million business in upcoming financial year.

For semiconductor business GAAL is also connecting with customers in telecom sector and other HA sector to explore the additional business opportunity.

Apart from regular part supply GAAL is also working with a few design houses for new technology in home appliances for which GAAL will jointly work with the design house and the customer for their new range of products.

Also, apart from electronics part & controller design, GAAL has also explored the opportunity for non-electronics parts such as aircon remotes, raw materials (PP, ABS, Resin, Adhesive, etc), mechanical parts for its customers and actively participating in new business opportunities.

### 8 Subsidiary operation

The company's subsidiary in Thailand, Thai Automotive & Appliance Ltd., [TAAL] has recorded total revenue of THB 268.65 Million [US\$7.62 Million] this year as against THB 210.65 Million [US\$5.97 Million] last year registering 25.60% increase over the previous year. The summarised financial performances are enumerated below:

Financial Results:

<u>Particulars</u>	<u>2023 - 2024</u>	[In THB Million]
		<u>2022 - 2023</u>
Sales & Other Income	268.65	213.88
Total Expenditure	255.87	205.73
EBDITA [from Operation]	12.78	8.15
Interest & Exchange Rate Loss	0.84	1.28
PBDT	11.94	6.87
Depreciation	9.28	9.06
PBT	2.66	(2.19)

#### Review of Operation:

During the year under review, your company recorded the highest revenue due to steady recovery of economy and successful new programs launch and ramp up. Especially, volume in the 3rd and the 4th quarters showed significant increase over the last year. Market segment of the company is more diversified now due to increased volume and sales in Non-Auto sector.

EBIDTA :

- EBIDTA increased compare to last year mainly due to reduction of Rejections and control of Over time expenses.
- Raw material price variance received from customers.

The company had secured 9 part numbers of new business during the period, which will further improve topline in 2024-25. With increase in volume, the capacity of 3 Fine Blanking Machines were better utilized. In order to support further volume increase in 2024-25, immediate actions to improve market penetration / new customers is required.

## Global Automotive & Appliances Pte. Ltd.

### Directors' Statement

*For the financial year ended March 31, 2024*

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#### 9 Auditors

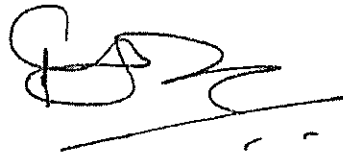
The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment. The audit fees will be decided on the basis of quantum of the work/transactions for the year.

#### 10 Directors' opinion

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of Singapore Companies Act 1967 and Financial Reporting Standards in Singapore; 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.

On behalf of the Board of Directors



*Diptanil Saha*



*Bikramjit Nag*

Date: May 24, 2024

**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF GLOBAL AUTOMOTIVE & APPLIANCES PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**  
*(Incorporated in the Republic of Singapore)*

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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of GLOBAL AUTOMOTIVE & APPLIANCES PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of summary of material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2024 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 (SSA). 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 (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

As disclosed in Note 4 to the financial statements, the Company has investment in subsidiary amounting to US\$4,283,000. The management does not consider any impairment is necessary for the cost of investment in the subsidiary made based on future projections of results for this subsidiary. The forecast is based on several factors and actual results may differ from forecast. Our opinion is not modified in respect of this matter.

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 4.

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

**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF GLOBAL AUTOMOTIVE & APPLIANCES PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**  
*(Incorporated in the Republic of Singapore)*

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**Other Information (Cont'd)**

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 FRS, 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 auditor's 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 SSA 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 SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF GLOBAL AUTOMOTIVE & APPLIANCES PTE. LTD.  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024  
*(Incorporated in the Republic of Singapore)*

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**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

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

*Natarajan & Swaminathan*

Natarajan & Swaminathan  
Public Accountants and Chartered Accountants Singapore

Date: May 24, 2024

# Global Automotive & Appliances Pte. Ltd.

## Statement of Financial Position

As at March 31, 2024

	Note	2024	2023
		US\$	US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	3	19,324	-
Investment in subsidiary	4	4,283,000	4,283,000
<b>Total non-current assets</b>		<b>4,302,324</b>	<b>4,283,000</b>
<b>Current assets</b>			
Inventories		20,046	153,080
Trade receivables	5	2,592,219	1,506,110
Other receivables	6	16,708	8,728
Advance for purchases		-	318
Prepayments		5,236	150
Cash at banks	7	551,152	441,927
<b>Total current assets</b>		<b>3,185,361</b>	<b>2,110,313</b>
<b>Total assets</b>		<b>7,487,685</b>	<b>6,393,313</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	4,615,000	4,615,000
Accumulated profits		1,400,707	720,089
<b>Total equity</b>		<b>6,015,707</b>	<b>5,335,089</b>
<b>Non-current liabilities</b>			
Lease liabilities	11	1,488	-
<b>Total non-current liabilities</b>		<b>1,488</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payables and accruals	9	1,248,674	930,647
Other payable	10	75,656	117,177
Lease liabilities	11	17,837	-
Income tax payable		128,323	10,400
<b>Total current liabilities</b>		<b>1,470,490</b>	<b>1,058,224</b>
<b>Total liabilities</b>		<b>1,471,978</b>	<b>1,058,224</b>
<b>Total equity and liabilities</b>		<b>7,487,685</b>	<b>6,393,313</b>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

# Global Automotive & Appliances Pte. Ltd.

## Statement of Comprehensive Income

For the financial year ended March 31, 2024

	Note	<u>2024</u>	<u>2023</u>
		US\$	US\$
Revenue	12	7,903,376	5,418,663
Cost of sales		(6,490,990)	(4,519,840)
Gross profit		<u>1,412,386</u>	<u>898,823</u>
Other income	13	4,125	-
Selling and distribution expenses		(299,366)	(507,483)
Administrative expenses		(194,824)	(177,413)
Other operating expenses		(113,388)	(106,785)
Finance costs	14	(4)	(22)
Profit before income tax	15	<u>808,929</u>	<u>107,120</u>
Income tax expense	16	(128,311)	(10,400)
Profit after income tax		<u>680,618</u>	<u>96,720</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>680,618</u></u>	<u><u>96,720</u></u>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

# Global Automotive & Appliances Pte. Ltd.

## Statement of Changes in Equity

For the financial year ended March 31, 2024

	Share capital	Accumulated profits	Total
	US\$	US\$	US\$
Balance as at 01.04.2022	4,615,000	623,369	5,238,369
Total comprehensive income for the year	-	96,720	96,720
Balance as at 31.03.2023	4,615,000	720,089	5,335,089
Total comprehensive income for the year	-	680,618	680,618
Balance as at 31.03.2024	4,615,000	1,400,707	6,015,707

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

# Global Automotive & Appliances Pte. Ltd.

## Statement of Cash Flows

For the financial year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	US\$	US\$
<b>Cash flows from operating activities</b>		
Profit before income tax	808,929	107,120
Adjustment for:		
Interest received from bank	(4,125)	-
Depreciation of plant and equipment	7,433	-
Interest expense	4	22
Operating profit before working capital changes	812,241	107,142
Inventories	133,034	(50,973)
Trade receivables	(1,086,109)	(363,258)
Other receivables, advance for purchases and prepayment	(12,748)	(408)
Trade payables and accruals	318,027	83,990
Other payable	(41,521)	(10,445)
Cash generated from/(used in) operations	122,924	(233,952)
Interest received	4,125	-
Income tax paid	(10,388)	(55,200)
Net cash from/(used in) operating activities	116,661	(289,152)
<b>Cash flows from financing activities</b>		
Interest paid	-	(22)
Payment of principal portion of lease liabilities	(7,436)	-
Net cash used in financing activities	(7,436)	(22)
<b>Net increase/(decrease) in cash and cash equivalents</b>	109,225	(289,174)
Cash and cash equivalents brought forward	441,927	731,101
Cash and cash equivalents carried forward	<u>551,152</u>	<u>441,927</u>
<b>Cash and cash equivalents comprise:-</b>		
Cash at banks	551,152	441,927
	<u>551,152</u>	<u>441,927</u>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

# Global Automotive & Appliances Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2024

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

### 1 Corporate information

The Company (Registration No. 200822011Z) is a private limited Company incorporated and domiciled in Singapore.

The registered office is at 50 Raffles Place, #14-01 Singapore Land Tower, Singapore 048623 and the principal place of business is at 3 Shenton Way, #15-05 Shenton House, Singapore 068805.

The principal activity of the Company is to act as an investment holding company and distribution of electronic parts and semiconductors and other commodities.

There have been no significant changes in the nature of these activities during the financial year.

#### *Holding company*

The Company is a wholly owned subsidiary of **IFB Industries Limited**, a listed company incorporated in the Republic of India, which is also the ultimate holding company.

#### *Subsidiary*

Refer **Note 4** to the financial statements for the subsidiary and its principal activities.

### 2 Material accounting policy information

#### a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act 1967. These financial statements are the separate financial statements of Global Automotive & Appliances Pte. Ltd. The Company is exempted from the preparation of consolidated financial statements as the Company is held by IFB Industries Limited, a company incorporated and listed in Republic of India, which prepares consolidated financial statements available for public use. The corporate office address of IFB Industries Limited is Plot No IND 5, Sector 1, East Kolkata Township, Kolkata 700107 India.

The financial statements are expressed in United States Dollar (US\$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

### 2 Material accounting policy information (Cont'd)

#### a) Basis of preparation (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on April 1, 2023. The adoption of these standards did not have any material effect on the financial statements of the Company.

#### b) Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

#### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statements of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

#### Inventory valuation method

Inventory is valued at the lower of the actual cost or net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is generally the merchandise's selling price quoted from the market of similar items. The Company reviews its inventory levels in order to identify slow-moving and obsolete merchandise. When the Company identifies items of inventory which have a market price that is lower than its carrying amount, the Company then estimates the amount of inventory loss as allowance on inventory.

#### Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

#### Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates by the Group which is in similar business operation. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

### 2 Material accounting policy information (Cont'd)

#### b) Critical judgements in applying the entity's accounting policies (Cont'd)

##### Provision for expected credit losses of trade receivables (Cont'd)

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

##### Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment loss, if any. In determining if there is any impairment, the management evaluates the market and economic environment in which the entities operates, the economic performance, the forecasted results, the net assets values, and the operating cash flow of these entities. The evaluation of these factors involves a significant degree of management judgment.

Impairment is recognised when events and circumstances indicate that the cost of investment in subsidiary company may be impaired and the carrying amounts of the investment exceed the recoverable amounts. Recoverable amount is defined as the higher of investment's fair value less costs to sell and its value-in-use. When value-in-use calculations are undertaken, the Company uses discounted cash flow projections based on financial budgets approved by the Management covering a specified period.

The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets or forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

In any case, this growth rate does not exceed the long term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

#### c) Foreign currency

##### *(i) Functional currency*

The functional and measurement currency of the Company is United States Dollar, being the currency of the primary economic environment in which it operates.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.



### 2 Material accounting policy information (Cont'd)

#### c) Foreign currency (Cont'd)

##### (ii) Transactions and balances (Cont'd)

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

#### d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

#### e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over its estimated useful life at the following annual rates:

Office equipments	-	3 years
Right-to-use assets	-	Over lease period

Fully depreciated assets still in use are retained in the financial statements.

#### f) Investment in subsidiary

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

Investment in the subsidiary is carried at cost less accumulated impairment losses, if any. On disposal of investment in subsidiary, the differences between disposal proceeds and the carrying amounts of the investment is recognised in the profit or loss.

#### g) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs

### 2 Material accounting policy information *(Cont'd)*

#### g) Impairment of non-financial assets *(Cont'd)*

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for obsolete, damaged, slow moving and defective inventories.

#### i) Financial instruments

Financial instruments comprise financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (i) Financial assets

###### *Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

### 2 Material accounting policy information (Cont'd)

#### i) Financial instruments (Cont'd)

##### (i) Financial assets (Cont'd)

###### *Initial recognition and measurement (Cont'd)*

Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

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

###### *Subsequent measurement*

For the purposes of subsequent measurement, financial assets are classified in four categories:-

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

The Company's relevant financial assets category are financial assets at amortised cost.

###### Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes trade receivables, other receivables and cash at banks.

### 2 Material accounting policy information *(Cont'd)*

#### i) Financial instruments *(Cont'd)*

##### (i) Financial assets *(Cont'd)*

###### *Derecognition*

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

###### *Impairment of financial assets*

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

### 2 Material accounting policy information (Cont'd)

#### i) Financial instruments (Cont'd)

##### (i) Financial assets (Cont'd)

###### Impairment of financial assets (Cont'd)

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### (ii) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include trade payables and accruals, other payables and lease liabilities.

###### Subsequent measurement

The measurement of financial liabilities depends on their classification.

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

###### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at banks.

### 2 Material accounting policy information (Cont'd)

#### k) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers, if any.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Company sells electronic components and parts. Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied. No volume discount is given by the Company nor are goods sold with a right of return.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price less any discounts given. The Company does not incur any expense on variable consideration arising from volume discount or right of return.

#### l) Other income

The other income are recognised on the following basis:

##### *Interest income*

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

#### m) Employee benefits

##### *Retirement benefit costs*

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

##### *Key management personnel*

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

### 2 Material accounting policy information *(Cont'd)*

#### n) Leases

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

#### *As lessee*

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

#### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(i).

The Company's right-of-use assets are presented within plant and equipment (refer Note 3 to the financial statements).

#### *Lease liabilities*

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

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

### 2 Material accounting policy information (Cont'd)

#### n) Leases (Cont'd)

The Company's lease liabilities are presented in **Note 11** to the financial statements.

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

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

#### o) Goods and services tax

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

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

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

#### p) Finance costs

Interest expense and similar charges are expensed in the profit or loss in the year in which they are incurred.

#### q) Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.



# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 2 Material accounting policy information (Cont'd)

### q) Income tax (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

## 3 Plant and equipment

<u>2024</u>	Office equipments	Right-of-use assets	Total
	US\$	US\$	US\$
<b>Cost</b>			
At Apr 1, 2023	8,462	-	8,462
Additions	-	26,757	26,757
At Mar 31, 2024	8,462	26,757	35,219
<b>Depreciation</b>			
At Apr 1, 2023	8,462	-	8,462
Charge for the year	-	7,433	7,433
At Mar 31, 2024	8,462	7,433	15,895
<b>Net book value</b>			
At Mar 31, 2024	-	19,324	19,324

<u>2023</u>	Office equipment
	US\$
<b>Cost</b>	
At April 1, 2022	8,462
At March 31, 2023	8,462
<b>Depreciation</b>	
At April 1, 2022	8,462
At March 31, 2023	8,462
<b>Net book value</b>	
At March 31, 2023	-

# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 4 Investment in subsidiary

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Unquoted equity shares, at cost	<u>4,283,000</u>	<u>4,283,000</u>

14,049,463 ordinary shares of THB 10 each fully paid as on March 31, 2024.

Details of subsidiary are as follows: -

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation/ place of business</u>	<u>Percentage of equity held</u>		<u>Cost</u>	
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
			%	%	US\$	US\$
Thai Automotive & Appliances Ltd. (TAAL)	Manufacturing and selling of fine blanking components for vehicle, home and industrial appliances	Thailand	<u>100</u>	<u>100</u>	<u>4,283,000</u>	<u>4,283,000</u>

Two (2) shares of Thai Automotive & Appliances Ltd., are held by one director and one shareholder as nominee shareholders on behalf of the Company.

The subsidiary has been in operation since 2009 and has consistently seen a growth in its operations. As per the last audited financial statements for the year ended March 31, 2024, the turnover is about US\$7,617,306 (2023:US\$5,971,586) and has made a gross profit of about US\$1,031,581 (2023:US\$695,580) and has generated a positive operating cash flow of about US\$107,065 (2023:US\$282,978). Its net profit is about US\$65,182 (2023: net loss was about US\$62,324) and its net asset value is about US\$2,396,506 (2023:US\$2,328,878).

The future expected performance of the subsidiary is set to improve in the coming years as discussions are on for new orders which will be finalized shortly and also better overhead absorption rate is expected. Thus, management is of the view that the subsidiary would be able to generate good returns and no impairment in the carrying value of the investment is foreseen.

The recoverable amount of the investment in subsidiary as at 31 March 2024 has been determined based on a value-in use (VIU) calculation using cash flow projections from financial budgets approved by senior management covering a five year period. The projected cash flows have been updated to reflect the new orders and the operational restructuring of production expected and other factors on the demand for automobile and appliances industry. As a result of the analysis, management did not identify an impairment.

Key assumptions applied to the estimate the value in use include the growth in orders, ability to recover the raw material costs from customers, effective implementation of cost reduction plan building up a steady growth in revenue and margins, capital expenditure, growth rates used to extrapolate cash flows beyond the budget period and discount rate.

# Global Automotive & Appliances Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2024

### 4 Investment in subsidiary (Cont'd)

Discount rates represent the current market assessment of the risks specific to the industry, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

### 5 Trade receivables

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Outside parties	2,591,449	1,505,540
GST receivable	770	570
	<u>2,592,219</u>	<u>1,506,110</u>

The average credit period is 60 days (2023: 60 days). No interest is charged on the trade receivables due from outside parties.

The table below is an analysis of trade receivables aging as at March 31:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Not past due	1,401,149	851,484
Past due 1 to 30 days	1,190,865	654,626
Past due more than 30 days	205	-
	<u>2,592,219</u>	<u>1,506,110</u>

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

The trade receivables that are not denominated in United States Dollar are as follows:-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>770</u>	<u>570</u>

# Global Automotive & Appliances Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2024

### 6 Other receivables

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Deposit	<u>16,708</u>	<u>8,728</u>

The other receivables that are not denominated in United States Dollar are as follows:-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>16,708</u>	<u>8,728</u>

### 7 Cash at banks

The cash at banks that are not denominated in United States Dollar are as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>18,281</u>	<u>20,350</u>

### 8 Share capital

	<u>2024</u> No. of shares issued	<u>2024</u> US\$	<u>2023</u> No. of shares issued	<u>2023</u> US\$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	<u>4,755,625</u>	<u>4,615,000</u>	<u>4,755,625</u>	<u>4,615,000</u>

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 and have no par value.

### 9 Trade payables and accruals

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Trade payables	1,224,095	923,864
Accrued expenses	<u>24,579</u>	<u>6,783</u>
	<u>1,248,674</u>	<u>930,647</u>

The average credit period on goods purchased is 30 days to 60 days (2023:30 days). No interest is charged on the trade payables.

The trade payables and accruals that are not denominated in United States Dollar are as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>24,579</u>	<u>6,783</u>

# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 10 Other payables

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Sundry payable	<u>75,656</u>	<u>117,177</u>

The other payables that are not denominated in United States Dollar are as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>75,656</u>	<u>117,177</u>

## 11 Lease liabilities

	<u>2024</u>	<u>2023</u>
	US\$	US\$
<i>Unsecured:</i>		
Non-current	1,488	-
Current	<u>17,837</u>	<u>-</u>
	<u>19,325</u>	<u>-</u>

Lease liabilities are amortised at an effective interest rate of 5.25% per annum.

The Company has lease contract for office space.

A reconciliation of liabilities arising from the financing activity is as follows:

	At beginning of year	Cash flows	Non-cash changes		At end of year
			Addition	Accretion of interest	
	US\$	US\$	US\$	US\$	US\$
<u>2024</u>					
Lease liabilities	-	(7,436)	26,757	4	<u>19,325</u>

The lease liabilities that are not denominated in United States Dollar are as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>19,325</u>	<u>-</u>

## 12 Revenue

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Type of goods:		
Sale of goods	<u>7,903,376</u>	<u>5,418,663</u>
Timing of transfer of goods:		
At a point in time	<u>7,903,376</u>	<u>5,418,663</u>

There is no variable consideration recognised during the financial year.

# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 13 Other income

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Interest received from bank	<u>4,125</u>	-

## 14 Finance costs

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Interest on bank overdraft	-	22
Interest on lease liabilities	4	-
	<u>4</u>	<u>22</u>

## 15 Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Cost of inventories included in cost of sales	6,490,990	4,519,840
Director's remuneration	169,276	157,298
Medical insurance	8,948	8,912
Medical expenses	9,066	11,105
Foreign exchange loss	2,954	2,600
Operating lease - office rental	7,288	12,249

### Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Salaries and other benefits	<u>178,342</u>	<u>168,403</u>

## 16 Income tax expense

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Current year	127,300	10,400
Prior year under provision	1,011	-
	<u>128,311</u>	<u>10,400</u>

# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 16 Income tax expense (Cont'd)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit before income tax as a result of the following differences:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Profit before income tax	<u>808,929</u>	<u>107,120</u>
Tax expense at tax rate of 17%	137,518	18,210
Non-taxable income	(1,269)	-
Non-deductible items	4,043	3,141
Statutory stepped income exemption	(12,926)	(10,986)
Prior year under provision	1,011	-
Other items	(66)	35
Income tax expense for the financial year	<u>128,311</u>	<u>10,400</u>

Deferred tax is not recognised in the financial statements as there are no significant temporary differences.

## 17 Operating lease commitments - as lessee

The Company leases premises for office under non-cancellable operating lease agreements. The lease has a tenure of 1 year.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are as follows:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
<i>Rental expense:</i>		
Within a year	<u>-</u>	<u>3,062</u>

## 18 Financial instruments, financial and capital risk management

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Financial assets		
Amortised cost:		
- Trade receivables (excluding GST)	2,591,449	1,505,540
- Other receivables	16,708	8,728
- Cash at banks	551,152	441,927
Total financial assets	<u>3,159,309</u>	<u>1,956,195</u>

### 18 Financial instruments, financial and capital risk management (Cont'd)

#### (a) Categories of financial instruments (Cont'd)

	<u>2024</u>	<u>2023</u>
	US\$	US\$
<b>Financial liabilities</b>		
Amortised cost:		
- Trade payables and accruals	1,248,674	930,647
- Other payables	75,656	117,177
- Lease liabilities	19,325	-
<b>Total financial liabilities</b>	<u><u>1,343,655</u></u>	<u><u>1,047,824</u></u>

#### (b) Fair value measurements

##### Fair value hierarchy

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

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

There are no financial assets measured at fair value.

##### Assets and liabilities not measured at fair value

###### (i) *Trade receivables and trade payables*

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

###### (ii) *Other receivables, cash at banks and other payable*

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

###### (iii) *Lease liabilities*

Lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.



# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 18 Financial instruments, financial and capital risk management (Cont'd)

### c) Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include liquidity risk, credit risk and market risk (including interest rate risk, foreign currency risk and price risk).

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

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

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

#### *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 has no significant liquidity risk. It maintains a level of bank balances that is sufficient for working capital purposes.

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

	<i>Cash flows</i>			
	Carrying amount	Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US\$	US\$	US\$	US\$
<u>2024</u>				
<b>Financial Assets</b>				
Trade receivables	2,591,449	2,591,449	2,591,449	-
Other receivables	16,708	16,708	16,708	-
Cash at banks	551,152	551,152	551,152	-
Total undiscounted financial assets	<u>3,159,309</u>	<u>3,159,309</u>	<u>3,159,309</u>	<u>-</u>
<b>Financial Liabilities</b>				
Trade payables and accruals	(1,248,674)	(1,248,674)	(1,248,674)	-
Other payable	(75,656)	(75,656)	(75,656)	-
Lease liabilities	(19,325)	(19,332)	(17,845)	(1,487)
Total undiscounted financial liabilities	<u>(1,343,655)</u>	<u>(1,343,662)</u>	<u>(1,342,175)</u>	<u>(1,487)</u>
<b>Total net undiscounted financial assets</b>	<u>1,815,654</u>	<u>1,815,647</u>	<u>1,817,134</u>	<u>(1,487)</u>

# Global Automotive & Appliances Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

## 18 Financial instruments, financial and capital risk management (Cont'd)

### c) Financial risk management (Cont'd)

#### Liquidity risk (Cont'd)

	Carrying amount	Cash flows		
		Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US\$	US\$	US\$	US\$
<u>2023</u>				
Trade receivables	1,505,540	1,505,540	1,505,540	-
Other receivables	8,728	8,728	8,728	-
Cash at banks	441,927	441,927	441,927	-
Total undiscounted financial assets	<u>1,956,195</u>	<u>1,956,195</u>	<u>1,956,195</u>	<u>-</u>
<b>Financial Liabilities</b>				
Trade payables and accruals	(930,647)	(930,647)	(930,647)	-
Other payable	(117,177)	(117,177)	(117,177)	-
Total undiscounted financial liabilities	<u>(1,047,824)</u>	<u>(1,047,824)</u>	<u>(1,047,824)</u>	<u>-</u>
<b>Total net undiscounted financial assets</b>	<u><u>908,371</u></u>	<u><u>908,371</u></u>	<u><u>908,371</u></u>	<u><u>-</u></u>

#### Credit risk

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

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days past the credit due dates, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Cash at banks are placed with credit worthy financial institutions.

#### Trade receivables

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 no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using Lifetime ECL and determined that the ECL is insignificant.

### 18 Financial instruments, financial and capital risk management *(Cont'd)*

#### c) Financial risk management *(Cont'd)*

##### *Credit risk (Cont'd)*

The Company has no significant concentration of credit risk in relation to its trade receivable from outside parties. It comprises of 3 parties' (2023:3 parties') balance who are based in India. The management does not foresee any risk of default or expected credit loss arising from these parties as they are creditworthy customers. The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties.

Further details of credit risks on trade receivables are disclosed in Note 5 to the financial statements.

##### *Interest rate risk*

The Company has no significant exposure to market risk for changes in interest rates because it has no interest bearing borrowings from any external sources.

##### *Foreign currency risk*

The Company has no significant exposure to foreign exchange risk except for its net investment in subsidiary (refer Note 4 to the financial statements). No hedge has been taken up from this exposure.

Sale and purchases are transacted in United States Dollar and all the monetary assets and liabilities are denominated in United States Dollar.

As at financial year end, the carrying amount of monetary assets and liabilities denominated in currencies other than in United States Dollar are disclosed in the respective notes to the financial statements.

##### *Foreign currency sensitivity analysis*

Any increase or decrease in the Singapore Dollar against United States Dollar will have a minimal impact on the financial statements. A decrease in 10% in the Singapore Dollar rate, will decrease the profit before tax by US\$9,400 (2023: decrease by US\$9,400). A similar increase in the Singapore Dollar rate will have a vice versa effect on the results of the Company.

The effect of fluctuation in the other foreign currencies will have no or very minimal impact on the results of the Company.

##### *Price risk*

The Company has no significant exposure to price risk.

#### (d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

The management's overall strategy remains unchanged from 2023.

# Global Automotive & Appliances Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2024

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### 19 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

			<u>Effective from annual periods beginning on or after</u>
FRS 1	(Amendments)	: Classification of Liabilities as Current or Non-current	January 1, 2024
FRS 1	(Amendments)	: Non-current Liabilities with Covenants	January 1, 2024
FRS 7/FRS 107	(Amendments)	: Supplier Finance Arrangements	January 1, 2024
FRS 21	(Amendments)	: Lack of Exchangeability	January 1, 2025
FRS 116	(Amendments)	: Lease Liability in a Sale and Leaseback	January 1, 2024

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

### 20 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on May 24, 2024.

*Global Automotive & Appliances Pte. Ltd.*

*The Accompanying Supplementary Detailed Income Statement*

*Has Been Prepared For Management Purposes Only*

*And Does Not Form Part Of The Audited Financial Statements*

# Global Automotive & Appliances Pte. Ltd.

## Detailed Income Statement

For the financial year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	US\$	US\$
<b>Revenue</b>		
Sale of goods	7,903,376	5,418,663
<b>Cost of sales</b>		
Inventories at beginning of year	(153,080)	(102,107)
Purchases	(6,357,956)	(4,570,813)
	(6,511,036)	(4,672,920)
Less: Inventories at end of year	20,046	153,080
	(6,490,990)	(4,519,840)
Gross profit	1,412,386	898,823
<b>Other income</b>		
Interest received from bank	4,125	-
<b>Selling and distribution expenses</b>		
Freight outwards	(286,276)	(496,247)
Insurance	(13,090)	(11,236)
	(299,366)	(507,483)
<b>Administrative expenses</b>		
Director's remuneration	(169,276)	(157,298)
Depreciation of plant and equipment	(7,433)	-
Medical insurance	(8,948)	(8,912)
Skill development levy	(101)	(98)
Medical expenses	(9,066)	(11,105)
	(194,824)	(177,413)
<b>Other operating expenses</b>		
Bad debts written off - trade (outside party)	(40)	-
Bank charges	(2,989)	(1,695)
Book-keeping charges	(24,474)	(23,977)
Entertainment	(2,085)	(1,041)
Fines and penalties	-	(36)
Foreign exchange loss	(2,954)	(2,600)
General expenses	(3,025)	(3,105)
Operating lease - office rental	(7,288)	(12,249)
Postage and courier	(112)	(12)
Printing and stationery	(37)	(121)
Professional fees	(13,632)	(8,601)
Stamp duty	(699)	-
Telephone	(2,364)	(3,519)
Transport	(12,881)	(3,902)
Travelling expenses	(40,467)	(45,676)
Internet charges	(341)	(251)
	(113,388)	(106,785)

... Cont'd

# Global Automotive & Appliances Pte. Ltd.

## Detailed Income Statement

For the financial year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Finance costs		
Interest on bank overdraft	-	(22)
Interest on lease liabilities	(4)	-
	<u>(4)</u>	<u>(22)</u>
Profit before income tax	808,929	107,120
Income tax expense		
- Current year	(127,300)	(10,400)
- Prior year under provision	(1,011)	-
	<u>680,618</u>	<u>96,720</u>
Profit after income tax		
	680,618	96,720
Other comprehensive income	-	-
Total comprehensive income for the year	<u>680,618</u>	<u>96,720</u>

*Not Part Of Audited Financial Statements*