

STYLAM ASIA PACIFIC PTE. LTD.

Unique Entity Number: 201930769G

AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

STYLAM ASIA PACIFIC PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

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STYLAM ASIA PACIFIC PTE. LTD.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2021

The directors of Stylam Asia Pacific Pte. Ltd. (the "Company") are pleased to present their statement to the shareholder together with the audited financial statements of the Company for the financial year ended 31 March 2021.

Opinion of the directors

In the opinion of the directors,

- a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; 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.

Directors

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

Jagdish Gupta
Manit Gupta
Manav Gupta
Kelvin Koh Kwang Min

Arrangements to enable directors to acquire shares and debentures

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

Directors' interest in shares and debentures

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares of the Company as follows:

<u>Name of director</u>	<u>Number of shares</u>	
	<u>At beginning of financial period</u>	<u>At end of financial period</u>
<i>Ordinary shares of the parent company (Stylam Industries Limited)</i>		
Jagdish Gupta	985,450	988,728
Manit Gupta	412,198	412,198

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

STYLAM ASIA PACIFIC PTE. LTD.

DIRECTORS' STATEMENT

for the financial year ended 31 March 2021

Share options

The Company has no share option scheme.

Auditors

Kreston Ardent CAtrust PAC have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



.....
Jagdish Gupta
Director



.....
Manit Gupta
Director

Signed on: 20 May 2021

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
STYLAM ASIA PACIFIC PTE. LTD.**

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Stylam Asia Pacific Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement on pages 3 and 4 but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
STYLAM ASIA PACIFIC PTE. LTD.**
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Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
STYLAM ASIA PACIFIC PTE. LTD.**

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

KRESTON ARDENT CATRUST PAC
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Phang Lay Koon

20 May 2021

STYLAM ASIA PACIFIC PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 March 2021

		01-04-2020 to 31-03-2021 US\$	16-09-2019 to 31-03-2020 US\$
Professional and legal fees		(10,320)	(2,158)
Other expenses		(464)	(248)
Loss before tax		<u>(10,784)</u>	<u>(2,406)</u>
Income tax expense	4	<u>-</u>	<u>-</u>
Loss for the year		<u>(10,784)</u>	<u>(2,406)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(10,784)</u></u>	<u><u>(2,406)</u></u>



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

STYLAM ASIA PACIFIC PTE. LTD.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Note	2021 US\$	2020 US\$
Assets			
Current assets			
Deposit and prepayments		3,091	2,965
Total assets		3,091	2,965
Equity and liabilities			
Equity			
Share capital	5	100	100
Accumulated losses		(13,190)	(2,406)
Capital deficiency		(13,090)	(2,306)
Current liabilities			
Accrued expenses		3,575	-
Amount due to parent company	6	12,606	5,271
Total liabilities		16,181	5,271
Total equity and liabilities		3,091	2,965

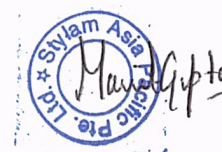


The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STYLAM ASIA PACIFIC PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2021

	<u>Share capital</u> US\$	<u>Accumulated</u> <u>losses</u> US\$	<u>Total</u> US\$
At 16 September 2019 (date of incorporation)	100	-	100
Loss for the year, representing the total comprehensive loss for the year	-	(2,406)	(2,406)
At 31 March 2020	100	(2,406)	(2,306)
Loss for the year, representing the total comprehensive loss for the year	-	(10,784)	(10,784)
At 31 March 2021	100	(13,190)	(13,090)



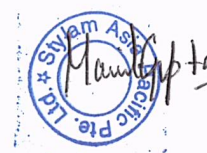
The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STYLAM ASIA PACIFIC PTE. LTD.

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2021

	01-04-2020 to 31-03-2021 US\$	16-09-2019 to 31-03-2020 US\$
Cash flows from operating activities		
Loss before tax	(10,784)	(2,406)
Operating cash flows before working capital changes	<u>(10,784)</u>	<u>(2,406)</u>
Deposit and prepayments	(126)	(2,965)
Accrued expenses	3,575	-
Amounts due to parent company	<u>7,335</u>	<u>5,271</u>
Net cash flows used in operating activities	<u>-</u>	<u>(100)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	100
Net cash flows generated from financing activities	<u>-</u>	<u>100</u>
Net increase in cash	-	-
Cash at the beginning of the year	<u>-</u>	<u>-</u>
Cash at the end of the year	<u><u>-</u></u>	<u><u>-</u></u>



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

STYLAM ASIA PACIFIC PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

1. Corporate information

Stylam Asia Pacific Pte. Ltd. (the "Company") is a private limited liability company incorporated and domiciled in Singapore. Its registered office is at 30 Cecil Street #19-08 Prudential Tower Singapore 049712.

The Company's principal activity is in the wholesale trade of a variety of goods. The Company has not commenced business activity during the financial year.

The immediate and parent company is Stylam Industries Limited.

The financial statements of the Company for the current financial year were approved and authorised for issue in accordance with a resolution of the directors on date of the Directors' Statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in United States dollar ("US\$") and all values in all financial information is presented in units, unless otherwise stated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Annual improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1: <i>Classification of Liabilities as Current of Non-current</i>	1 January 2023

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.



NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

2.4 Foreign currency

The financial statements are presented in US\$, which is also the Company's functional currency. Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income. Current income taxes are recognised in profit or loss.

2.6 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Debt instruments

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

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



NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

Derecognition

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

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.7 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).

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

2.8 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

3. Significant accounting judgements and estimates

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

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. Income tax expense

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate is as follows:

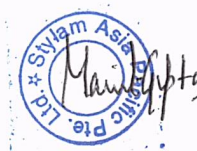
	<u>01-04-2020</u> to <u>31-03-2021</u> US\$	<u>16-09-2019</u> to <u>31-03-2020</u> US\$
Loss for the year	(10,784)	(2,406)
Tax at statutory rate of 17% (2019: 17%)	(1,833)	(409)
<u>Adjustments:</u>		
Non-deductible expenses	-	99
Tax loss disregarded	1,833	310
	<u>-</u>	<u>-</u>

The Company did not generate revenue during the financial year, therefore, the tax loss is disregarded under the Singapore tax regulations.

5. Share capital

	<u>Number of</u> <u>shares</u>	<u>Share capital</u> US\$
At 16 September 2019 (date of incorporation), 31 March 2020 and 31 March 2021	<u>100</u>	<u>100</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 restrictions. The ordinary shares have no par value.



NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

6. Amount due to parent company

The entire amount due to parent company arose from expenses paid on behalf by the parent company for the Company. The outstanding balance at the year end is non-interest bearing, unsecured and repayable on demand.

7. Related party transactions – key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel of the Company are the Directors in office at the end of the reporting period. The directors did not receive remuneration from the Company.

8. Carrying amount of financial instruments

The following table summarises the carrying amount of financial instruments recorded at the end of the reporting period:

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Financial assets</u>		
At amortised cost:		
Deposit	1,427	1,427
<u>Financial liabilities</u>		
At amortised cost:		
Amount due to parent company	12,606	5,271

9. Fair value of financial instruments

The carrying values of the current deposit and amount due to parent company are reasonable approximations of fair value due to their short-term nature.

10. Financial risk management

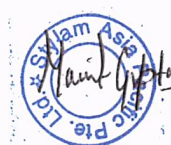
The Company's activities expose it to a variety of financial risks from its operations. The key financial risks are credit risk and liquidity risk.

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 above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a) 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 sundry deposit paid to third party for professional services. Management has assessed that there is no increase in credit risk from this party.



NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2021

b) Liquidity risk

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

As this is the first financial period of the Company and the Company has yet to commence business activity, it has relied on its parent company to settle its expenses on behalf of the Company.

The carrying amount due to parent company as at the end of the financial period represents the undiscounted contractual cash flows and the maturity is less than a year.

11. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debts. The Company is not exposed to any externally imposed capital requirements.

12. Comparatives

The current financial statements is for the financial year ended 31 March 2021. The comparative financial statements cover the financial period from date of incorporation, 16 September 2019 to 31 March 2020. Therefore, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows are not entirely comparable.

