Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
201101028221 (956356-X)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
31 MARCH 2020

AHMAD ABDULLAH & GOH
Chartered Accountants

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS – 31 MARCH 2020

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Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT AND STATEMENT BY DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing technical consultancy services, trading in chemical products and acting as commission agents.

RESULTS

	RM
Profit after taxation	4,900
Accumulated losses brought forward	(35,360)
Accumulated losses carried forward	(30,460)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

(a) Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

(b) At the date of this report, the directors of the Company are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the Company inadequate to any substantial extent.

CURRENT ASSETS

(a) Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and to the extent so ascertained, were written down to an amount they might be expected to realise.

(b) At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities in the financial statements of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

(a) At the date of this report, there does not exist any contingent liability in respect of the Company that has arisen since the end of the financial year.

(b) No contingent liability or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

(a) The results of the operations of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

(b) There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the current financial year.

DIRECTORS OF THE COMPANY

(a) Directors who served during the financial year and up to the date of this report are:-

Vijay Bhalchandra Palkar

Rahul Vijay Palkar

Paul Wong Tet On

David Wong Hup Wen

(b) None of the directors in office at the end of the financial year held any interest in the shares in the Company.

(c) The Company is a wholly-owned subsidiary of Indo Amines Limited, a company incorporated in India. Vijay Bhalchandra Palkar and Rahul Vijay Palkar by virtue of their interest in the shares in Indo Amines Limited, are deemed interested in the shares in the Company.

DIRECTORS' BENEFITS

(a) Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

(b) Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Details of directors' remuneration are disclosed in Note 11 to the financial statements.

INDEMNITIES AND INSURANCE

No indemnities have been given to or insurance premiums paid for any director, officer or auditor of the Company.

AUDITORS' REMUNERATION

Details of auditors' remuneration are disclosed in Note 11 to the financial statements.

HOLDING AND ULTIMATE HOLDING COMPANY

The directors regard Indo Amines Limited, a company incorporated in India, as the holding and ultimate holding company of the Company.

Company No.
201101028221 (956356-X)

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 9 to 21 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the Malaysian Companies Act, 2016 so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance and cash flows for the year then ended.

AUDITORS

The auditors, Messrs. Ahmad Abdullah & Goh, Chartered Accountants, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

.....
VIJAY BHALCHANDRA PALKAR
Director

.....
RAHUL VIJAY PALKAR
Director

Date: 05 SEP 2020

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATUTORY DECLARATION

I, **VIJAY BHALCHANDRA PALKAR**, being the director primarily responsible for the financial management of **INDO AMINES (MALAYSIA) SDN. BHD.**, do solemnly and sincerely declare that the financial statements set out on pages 9 to 21 are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Notaries Act, 1952.

Subscribed and solemnly declared by the above-named VIJAY BHALCHANDRA PALKAR at .....Dombivli..... this 5th ..... day of ..... September ..... 2020.

VIJAY BHALCHANDRA PALKAR

Before me:

NOTARY
B. T. KHARAT
KALYAN
Reg. No. 5471
Exp. Dt. 5-3-2023
GOVERNMENT OF INDIA

ATTESTED
5/9/2020
B. T. KHARAT
B.A., LL.B.
ADVOCATE & NOTARY
Taluka-Kalyan
Dist. Thane

5 SEP 2020

AHMAD ABDULLAH & GOH

Chartered Accountants

Ahmad Abdullah & Goh (AF 0381)
Suite 701, Wisma Hangsam,
Jalan Hang Lekir,
50000 Kuala Lumpur, Malaysia.

Telephone : 03-20704408
03-20704402
Facsimile : 03-20704393
E-mail : kl@aag.net.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO AMINES (MALAYSIA) SDN. BHD. Company No. 201101028221 (956356-X)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Indo Amines (Malaysia) Sdn. Bhd.,which comprise the statement of financial position as at 31 March 2020, and the statement of 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, as set out on pages 9 to 21.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Malaysian Companies Act, 2016.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the information contained in the Directors' Report.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 in the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Malaysian Companies Act, 2016. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

- Conclude on the appropriateness of the directors' 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 of the Company 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 contents of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Malaysian Companies Act, 2016 and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

AHMAD ABDULLAH & GOH AF - 0381
Chartered Accountants
Auditors

GOH KENG JUAY 00461/05/2021 J
CA(M), FCA(E&W)
Partner

Kuala Lumpur,

05 SEP 2020

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 RM	2019 RM
NON-CURRENT ASSETS			
Plant and equipment	4	8	483
Investment property	5	428,400	438,600
		428,408	439,083
CURRENT ASSETS			
Sundry deposits and prepayments		813	206
Fixed deposit with a licensed bank	6	37,038	36,034
Cash and bank balances		17,293	15,125
		55,144	51,365
CURRENT LIABILITIES			
Sundry payables and accruals		9,419	12,528
Term loan	7	9,663	9,762
Taxation		4,741	3,123
		23,823	25,413
NET CURRENT ASSETS		31,321	25,952
NON-CURRENT LIABILITIES			
Term loan	7	190,189	200,142
Deferred tax liability	8	-	253
		190,189	200,395
NET ASSETS		269,540	264,640
EQUITY			
Share capital	9	300,000	300,000
Accumulated losses		(30,460)	(35,360)
NET EQUITY		269,540	264,640

The notes set out on pages 13 to 21 form an integral part of these financial statements.

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 RM	2019 RM
Operating Revenue :	10		
Sales		252,320	-
Cost of sales		246,240	-
Gross profit		6,080	-
Sales commission		40,764	30,548
		46,844	30,548
Other income		16,604	21,446
Administrative expenses		(43,890)	(37,335)
Finance cost – Term loan interest		(10,156)	(10,890)
Profit before taxation	11	9,402	3,769
Taxation	12	(4,502)	(3,376)
Profit after taxation		4,900	393
Other comprehensive income		-	-
Total comprehensive income		4,900	393

The notes set out on pages 13 to 21 form an integral part of these financial statements.

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share Capital RM	Accumulated Losses RM	Total RM
Balance at 1 April 2018	300,000	(35,753)	264,247
Profit after taxation	-	393	393
Balance at 31 March 2019	300,000	(35,360)	264,640
Balance at 1 April 2019	300,000	(35,360)	264,640
Profit after taxation	-	4,900	4,900
Balance at 31 March 2020	300,000	(30,460)	269,540

The notes set out on pages 13 to 21 form an integral part of these financial statements.

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,402	3,769
Adjustments for :		
Depreciation	10,675	10,903
Interest income	(1,004)	(1,046)
Interest expense	10,156	10,890
Operating profit before working capital changes	29,229	24,516
Increase in receivables	(607)	(90)
Increase/(Decrease) in payables	(3,109)	62
Cash generated from operations	25,513	24,488
Interest received	1,004	1,046
Interest paid	(10,156)	(10,890)
Tax paid	(3,137)	-
Net cash generated from operating activities	13,224	14,644
CASH FLOWS FROM FINANCING ACTIVITIES		
Term loan repayments	(10,052)	(9,320)
Net cash used in financing activities	(10,052)	(9,320)
Net increase in cash and cash equivalents	3,172	5,324
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	51,159	45,835
CASH AND CASH EQUIVALENTS CARRIED FORWARD	54,331	51,159
CASH AND CASH EQUIVALENTS		
Cash at bank	17,293	15,125
Fixed deposit with a licensed bank	37,038	36,034
	54,331	51,159

The notes set out on pages 13 to 21 form an integral part of these financial statements.

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2020

1. GENERAL INFORMATION

(a) The principal activities of the Company are providing technical consultancy services, trading in chemical products and acting as commision agents.

(b) The Company is a private limited liability company, incorporated and domiciled in Malaysia.

(c) The registered office of the Company is located at Suite 702, Wisma Hangsam, Jalan Hang Lekir, 50000 Kuala Lumpur.

(d) The principal place of business of the Company is located at D-18-12 Casa Suites, No.1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

(e) The Company is a wholly-owned subsidiary company of Indo Amines Limited, a company incorporated in India.

(f) The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed on 0 5 SEP 2020

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Company have been prepared in compliance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Malaysian Companies Act, 2016.

(b) Accounting Convention

The financial statements of the Company have been prepared under the historical cost convention unless otherwise stated in the significant accounting policies set out in Note 3 below.

(c) Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of Estimates and Judgements

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Plant and Equipment and Depreciation

Plant and equipment are stated at cost less accumulated depreciation. The cost of plant and equipment comprises their purchase cost and any incidental cost of acquisition. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Depreciation is calculated on the straight line basis at rates calculated to write off the cost of the assets over the expected useful lives of the assets concerned. The principal annual rate used for furniture and fittings is 33.33%.

(b) Investment Properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties include the cost of materials and direct labour, any other costs directly attributable to bring the investment properties ready for their intended use.

If a reliable measure of fair value is not available without undue cost or effort for an item of investment property, that item is classified as investment property carried at cost less accumulated depreciation and accumulated impairment losses until a reliable measure of fair value becomes available.

Depreciation of investment properties carried at cost less accumulated depreciation and accumulated impairment losses is calculated using the straight-line method to allocate the cost less its residual values over their estimated useful lives. The estimated useful life of the Company's investment property is 50 years.

(c) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

A financial asset or a financial liability (including derivative instruments) is recognised only when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset or a financial liability is measured at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

An arrangement constitutes a financing transaction, if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

(ii) Subsequent measurement

Debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, unless the arrangement constitutes, in effect, a financing transaction.

Investment in non-convertible preference shares and non-puttable ordinary or preference shares, that are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort, are measured at fair value with changes in fair value recognised in profit or loss. All other such investments are measured at cost less impairment.

All financial assets are subject to review for impairment, except for financial assets measured at fair value through profit or loss.

(iii) Impairment

At the end of each reporting period, financial assets that are measured at cost or amortised cost are assessed as to whether there is objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in profit or loss.

(iv) Derecognition

A financial asset is derecognised only when (i) the contractual rights to receive the cash flows from the financial asset expire or are settled; or (ii) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, including circumstances when the entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, is cancelled or expired. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(d) Share Capital

Ordinary shares are presented as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(e) Taxation

The tax expense in the statement of comprehensive income comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

(f) Revenue Recognition

(i) Revenue from technical consultancy services is recognised when the services are rendered.

(ii) Revenue from trading is recognised when significant risks and rewards of ownership of goods are transferred, net of discounts and returns.

(iii) Commission is recognised on the accrual basis.

(iv) Interest income is recognised on the accrual basis.

(v) Rental income is recognised on the accrual basis.

(g) Statement of Cash Flows

The Company adopts the indirect method in the preparation of the statement of cash flows. Cash and cash equivalents represent cash and bank balances and fixed deposit.

4. PLANT AND EQUIPMENT

Details are as follows:-

	Furniture and Fittings RM
Cost	
Balance at 1.4.2019	6,944
Balance at 31.3.2020	6,944
Accumulated Depreciation	
Balance as at 1.4.2019	6,461
Charge for the year	475
Balance as at 31.3.2020	6,936
Carrying Amount	
Balance as at 31.3.2020	8
Balance as at 31.3.2019	483
Depreciation for the year 2019	703

5. INVESTMENT PROPERTY

	Freehold Apartment RM
Cost	
At 1.4.2019	510,000
At 31.3.2020	510,000
Accumulated Depreciation	
At 1.4.2019	71,400
Charge for the year	10,200
At 31.3.2020	81,600
Carrying Amount	
At 31.3.2020	428,400
At 31.3.2019	438,600
Depreciation for the year 2019	10,200

(a) The fair value of the investment property cannot be measured reliably without undue cost or effort on an ongoing basis because an external professional valuation would involve significant cost that substantially exceeds the benefit to the users of these financial statements.

(b) The freehold apartment is charged to a bank for a term loan facility obtained by the Company to part finance the purchase of the freehold apartment.

6. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit bears interest at the rate of 2.70% (2019: 2.95%) per annum and has a maturity period of 1 month (2019:1 month). It is pledged as security for the term loan referred to in Note 7 below and hence is not available for general use.

7. TERM LOAN

	2020 RM	2019 RM
RM264,000 term loan	199,852	209,904
Less : Principal portion due within the next 12 months	9,663	9,762
Non-current portion	190,189	200,142

The non-current portion of the term loan is repayable as follows :-

After one and up to two years	10,312	10,297
After two and up to five years	60,138	60,050
After five years	119,739	129,795
	190,189	200,142

(a) The term loan is repayable by 240 monthly instalments of RM1,684 each inclusive of interest.

(b) Interest charged during the financial year was at the rate of 5.82% (2019: 5.07%) per annum.

(c) The term loan is secured by a pledge of the fixed deposit referred to in Note 6 above, first party legal charge over the Company's freehold apartment and joint and several guarantees by certain directors of the Company.

8. DEFERRED TAX LIABILITY

Details of deferred tax liability are as follows :-

	2020 RM	2019 RM
Taxable temporary difference :		
Depreciation and capital allowance on plant and equipment	(8)	(1,056)
Deferred taxation liability recognised at 24%	-	(253)
Deferred taxation liability not recognised at 24%	(2)	-
Deferred taxation at 24%		
Beginning balance	(253)	-
Transfer to statement of comprehensive income	253	(253)
Ending balance	-	(253)

9. SHARE CAPITAL

	2020 RM	2019 RM
Issued and fully paid :		
300,000 ordinary shares	300,000	300,000

10. OPERATING REVENUE

This represents sales commission charged to the holding company and the invoiced value of goods sold.

11. PROFIT BEFORE TAXATION

This is arrived at after charging/(crediting) :-

	2020 RM	2019 RM
Auditors' remuneration:		
statutory audit	3,500	3,000
taxation services fee:		
-Current year	2,600	2,640
-Overprovision in prior year	-	(130)
Directors' fees	6,000	6,000
Depreciation	10,675	10,903
Fixed deposit interest	(1,004)	(1,046)
Rental income	(15,300)	(20,400)

12. TAXATION

	2020 RM	2019 RM
Taxation for the year	(4,741)	(3,123)
Underprovision in prior year	(14)	-
Deferred taxation	253	(253)
Tax expense for the year	(4,502)	(3,376)

Taxation is calculated at the Malaysian statutory tax rate of 24% on the estimated assessable profit for the year. A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows :-

	2020 RM	2019 RM
Profit before taxation	9,402	3,769
Taxation at the rate of 24%	(2,256)	(905)
Non-deductible expenses	(2,232)	(3,244)
Utilisation of previously unrecognised deferred tax asset	-	773
Underprovision of taxation in prior year	(14)	-
Tax expense for the year	(4,502)	(3,376)

13. RELATED PARTY DISCLOSURES

(a) For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions or vice versa. Related parties may be individuals or other entities. Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include all the directors of the Company.

(b) Except as disclosed below, there were no significant related party transactions during the financial year.

	2020 RM	2019 RM
Indo Amines Limited, the holding company		
Sales commission	40,764	30,548
Puchases	246,240	-

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a negotiated basis.

(c) Information regarding remuneration of key management personnel is disclosed in Note 11 above.

Company No.
201101028221 (956356-X)

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	2020 RM	2019 RM
Revenue	252,320	-
Less : Cost of sales		
Purchases	246,240	-
Gross Profit	6,080	-
Sales commission	40,764	30,548
	46,844	30,548
Add : Other income		
Fixed deposit interest	1,004	1,046
Rental income	15,300	20,400
Car park deposit forfeited	300	-
	16,604	21,446
	63,448	51,994
Less : Administrative expenses		
Audit fee	3,500	3,000
Secretarial fee :		
- current year	2,400	2,400
- prior year	-	600
Directors' fees	6,000	6,000
Bank charges	174	185
Taxation services fee :		
- current year	2,600	2,640
- overprovision in prior years	-	(130)
Sundry expenses	-	900
Registered office fee :		
- current year	200	200
- prior year	-	200
Depreciation	10,675	10,903
Quit rent and assessment	856	-
Balance carried forward	26,405	26,898

	2020 RM	2019 RM
Balance brought forward	26,405	26,898
Maintenance charges	5,435	5,429
Water charges	145	-
Insurance	731	126
Printing and stationery	2,248	1,200
Filing fee :		
- current year	-	200
- prior year	-	200
Goods and services tax	-	250
Service tax	510	112
Repairs and maintenance	-	2,920
Loss on foreign exchange	8,416	-
	43,890	37,335
Finance cost		
Term loan interest	10,156	10,890
	54,046	48,225
Profit before taxation	9,402	3,769

This statement does not form part of the statutory financial statements.