

MSSL (S) PTE. LTD.
Company Reg. No.: 200402350M

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019
TOGETHER WITH DIRECTORS' STATEMENT AND AUDITOR'S REPORT

MSSL (S) PTE. LTD.
Company Registration No.: 200402350M

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MSSL (S) PTE. LTD.
Directors' Statement
For the financial year ended 31 March 2019

The directors submit their statement to the members together with the audited financial statements of MSSL (S) PTE. LTD. (the "Company") for the financial year ended 31 March 2019.

Opinion of the directors

In the opinion of the Board of Directors:

- (a) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the financial 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:-

VIVEK CHAAND SEHGAL
 AHUJA SANJEEV
 MITAL PANKAJ
 GARG BHARAT KUMAR (Appointed on 3 May 2019)

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 object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of the directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Cap. 50, particulars of interests of the directors who held office at the end of the financial year and their immediate families in shares in the Company are as follows: -

	Direct interest		Deemed interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
	<u>Number of ordinary shares</u>		<u>Number of ordinary shares</u>	
The company				
VIVEK CHAAND SEHGAL	1	1	20,554,699	20,554,699
Immediate and ultimate parent company				
- Motherson Sumi Systems Limited (India)				
VIVEK CHAAND SEHGAL	48,776,935	73,165,402	-	-

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.
- (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.

MSSL (S) PTE. LTD.
Directors' Statement
For the financial year ended 31 March 2019

Auditor

REANDA ADEPT PAC have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:



MITAL PANKAJ
Director



AHUJA SANJEEV
Director

Singapore,

15 MAY 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
MSSL (S) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MSSL (S) PTE. LTD. (the "Company"), which comprise the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial 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 Singapore Financial Reporting Standard for Small Entities ("SFRS for SE") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 3 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.

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS for SE, 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.

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INDEPENDENT AUDITOR'S REPORT

To the Members of
MSSL (S) PTE. LTD.
(Continued)

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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



Reanda Adept PAC
Public Accountants and
Chartered Accountants

Singapore, **15 MAY 2019**

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MSSL (S) PTE. LTD.
Statement of Financial Position
As at 31 March 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Non-current asset			
Property, plant and equipment	4	770,141	827,188
Loans to subsidiaries	8	-	1,048,891
Investment in subsidiaries	5	16,341,180	14,041,936
		17,111,321	15,918,015
Current assets			
Deposits, prepayments and other receivables	6	16,653	15,593
Loans to subsidiaries	8	3,188,246	3,176,404
Cash and cash equivalents	7	827,915	536,291
		4,032,814	3,728,288
Total assets		21,144,135	19,646,303
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	9	20,554,700	20,554,700
Accumulated profit/(losses)		548,302	(942,148)
		21,103,002	19,612,552
Current liabilities			
Amount due to holding company (non-trade)	8	25,469	13,851
Other payables		6,863	6,900
Provision for taxation		8,801	13,000
		41,133	33,751
Total equity and liabilities		21,144,135	19,646,303

MSSL (S) PTE. LTD.
Statement of Comprehensive Income
For the financial year ended 31 March 2019

	Note	2019 S\$	2018 S\$
Income			
Service revenue		60,000	60,000
Sales of goods		120,000	121,920
Other income	10	2,564,241	1,774,045
Recharge of expenses		429,928	397,036
		3,174,169	2,353,001
Cost and expenses			
Purchases of goods		(116,000)	(116,000)
Depreciation on property, plant and equipment	4	(57,047)	(57,047)
Impairment of loan owing from a subsidiary		(1,010,784)	-
Staff costs	11	(297,427)	(298,478)
Other operating expenses	12	(202,461)	(293,975)
Total costs and expenses		(1,683,719)	(765,500)
Profit before taxation		1,490,450	1,587,501
Taxation	13	-	(8,873)
Profit for the financial year		1,490,450	1,578,628
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,490,450	1,578,628

MSSL (S) PTE. LTD.
Statement of Changes in Equity
For the financial year ended 31 March 2019

	Share capital S\$	Accumulated (losses)/profit S\$	Total S\$
Balance as at 1 April 2017	20,554,700	(2,520,776)	18,033,924
Total comprehensive income for the financial year	-	1,578,628	1,578,628
Balance as at 31 March 2018	20,554,700	(942,148)	19,612,552
Total comprehensive income for the financial year	-	1,490,450	1,490,450
Balance as at 31 March 2019	20,554,700	548,302	21,103,002

MSSL (S) PTE. LTD.
Statement of Cash Flows
For the financial year ended 31 March 2019

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Profit before taxation		1,490,450	1,587,501
Adjustments for:			
Depreciation charge		57,047	57,047
Reversal of impairment loss on investment in subsidiary		(2,299,244)	(1,650,414)
Allowance for impairment on loan to subsidiaries		1,010,784	-
Unrealised exchange differences		(89,013)	160,165
Interest income		(132,090)	(121,843)
Profit before working capital changes		37,934	32,456
Changes in working capital:			
Deposits, prepayments and other receivables		(1,060)	78,779
Other payables		(37)	(6,900)
Net change in working capital		(1,097)	71,879
Cash flows from operations		36,837	104,335
Interest received		246,853	4,497
Tax paid		(4,199)	(2,895)
Net cash inflow from operating activities		279,491	105,937
Cash flows from financing activities			
Loan to a related company		489	(1,088,000)
Amount due to holding company		11,618	(17,533)
Net cash inflow/(outflow) from financing activities		12,107	(1,105,533)
Net increase/(decrease) in cash and cash equivalents		291,598	(999,596)
Effect of exchange rate changes on cash and cash equivalents		26	(40,485)
Cash and cash equivalents			
- at the beginning of the financial year		536,291	1,576,372
- at the end of the financial year	7	827,915	536,291

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

MSSL (S) PTE. LTD.
Notes to the Financial Statements
For the financial year ended 31 March 2019

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

1. Corporate information

MSSL (S) Pte. Ltd. (Company Reg. No.: 200402350M) is incorporated and domiciled in the Republic of Singapore.

The address of the Company's registered office and principal place of business is at

178 Paya Lebar Road #04-08/09,
Singapore 409030

The principal activities of the Company are those relating to the provision of the promotion, liaison and administrative services to the holding company and investment holding companies.

The principal activities of the subsidiaries are shown in Note 5 to the financial statements.

The immediate and ultimate holding company is Motherson Sumi Systems Limited, a company incorporated in India. It owns 99.99% of the issued share capital of the Company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard for Small Entities ("SFRS for SE") issued by the Accounting Standards Council and the applicable requirements of the Singapore Companies Act, under the historical cost convention except as disclosed in the accounting policies below.

2.2 Foreign currency translation and transactions

(a) Functional and presentation currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Singapore dollars (S\$), which is also the functional currency of the Company.

(b) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated to the functional currency at the exchange rates closely approximating to those ruling at the date of the statement of financial position.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Translation differences are taken to the statement of comprehensive income.

MSSL (S) PTE. LTD.
Notes to the Financial Statements
For the financial year ended 31 March 2019

2. Summary of significant accounting policies (continued)

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over their estimated useful lives of the assets as follows:

	<u>Number of years</u>
Freehold properties (strata-title units)	25 years
Computer hardware	3 years
Furniture & fittings	3 years
Office equipment	3 years
Renovation	3 years
Motor vehicle	5 years

The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimates accounted for on a prospective basis.

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The carrying amount of property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements.

2.4 Financial instruments

Financial assets and financial liabilities are initially measured at the transaction price. At the end of each reporting period, they are measured at amortised cost using the effective interest method. Financial instruments that are classified as current assets or current liabilities shall be 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. If the arrangement constitutes a financing transaction, the Company shall measure the financial instrument at the present value of the future payments discounted at a market rate of interest for a similar financial instrument.

At the end of each reporting period, the Company shall assess whether there is objective evidence of impairment of any financial instruments that are measured at cost or amortised cost. If there is objective evidence of impairment, the Company shall recognise an impairment loss in statement of comprehensive income immediately. 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 Company shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account.

Financial assets measured at amortised cost are presented as "Deposits, prepayments and other receivables" (Note 6); "Loans to subsidiaries" (Note 8); and "Cash and cash equivalents" (Note 7) on the statement of financial position. Financial liabilities measured at amortised cost are presented as "Amount due to holding company" (Note 8) and "Other payables" on the statement of financial position.

2.5 Consolidation

These financial statements are the separate financial statements of MSSL (S) Pte Ltd. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Motherson Sumi Systems Limited, a company incorporated in India which produces consolidated financial statements available for public use. The registered office of Motherson Sumi Systems Limited is at Unit-705, C Wing, One BKC, Bandra Kurla Complex, Bandra East, Mumbai – 400051, India.

2. Summary of significant accounting policies (continued)

2.6 Investments in subsidiaries

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are not subject to significant change in value.

2.8 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax for the current period and any adjustments to tax payable in respect of prior periods is recognised to be paid or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.9 Related parties

A related party is defined as follows:-

- (a) A person or a close member of that person's family is related to the Company if that person:-
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company.

2. Summary of significant accounting policies (continued)

2.9 Related parties (continued)

(b) An entity is related to the Company if any of the following conditions applies:-

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Service income

Service fees are recognised on apportionment of time basis and represent support and recovery service.

(c) Interest income

Interest income is recognised using the effective interest method.

2. Summary of significant accounting policies (continued)

2.11 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax except:-

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

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

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least on a yearly basis. Significant financial difficulties of the receivable, the probability that the receivable will enter into bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgment as to whether there is observable data indicating that there has been a significant change in the payment ability of the receivable, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the receivable operates in.

Where there is objective evidence of impairment, management makes judgment as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions are reviewed regularly to reduce any differences between the estimated loss and the actual loss experience.

The carrying amount of loans and receivables at the end of the reporting period is disclosed in Note 6 and 8 to the financial statements.

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical accounting estimates and assumptions (continued)

(b) Investments in subsidiaries

At the date of the statement of financial position, the carrying amount of the Company's investment in subsidiaries was S\$16,341,180 (2018: S\$14,041,936) after taking into account accumulated impairment losses of S\$1,278,596 (2018: S\$3,577,840), as it was determined by the management that the cost of the investment is impaired (see Note 5).

Management has made a judgement that the decline in the carrying value of these investments is significant and prolonged and has considered the long-term duration of the decline and the significant magnitude by which the recoverable amount is below cost. Other factors taken into consideration in determining the impairment loss include the future profitability of the subsidiaries, financial health of and near-term business outlook of the subsidiaries.

Management is of the opinion that the adjusted carrying amount reflects the recoverable value of the Company's investments in the subsidiaries based on the net asset value of the subsidiaries as at the reporting date.

3.2 Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management is not aware of any judgement that has a significant effect on the amounts recognised in the financial statements.

MSSL (S) PTE. LTD.
Notes to the Financial Statements
For the financial year ended 31 March 2019

4. Property, plant and equipment

Cost	Freehold Properties	Computer Hardware	Furniture & Fittings	Office Equipment	Renovation	Motor Vehicle	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 1 April 2018 and 31 March 2019	1,426,185	3,270	14,336	3,338	115,350	474,800	2,037,279
Accumulated depreciation							
At 1 April 2018	598,997	3,270	14,336	3,338	115,350	474,800	1,210,091
Charge for the financial year	57,047	-	-	-	-	-	57,047
At 31 March 2019	656,044	3,270	14,336	3,338	115,350	474,800	1,267,138
Carrying amount							
At 31 March 2019	770,141	-	-	-	-	-	770,141

MSSL (S) PTE. LTD.
Notes to the Financial Statements
For the financial year ended 31 March 2019

5. Investment in subsidiaries

	2019	2018
	S\$	S\$
Ordinary shares, at cost	17,619,776	17,619,776
Less: Allowance for impairment	(1,278,596)	(3,577,840)
	<u>16,341,180</u>	<u>14,041,936</u>

Details of the subsidiaries are as follows: -

Name and country of incorporation	Principal activities	Proportion (%) of ownership interest	
		2019	2018
Held by the Company			
MSSL Japan Limited (Japan)	Manufacturing of and trading with wire harness for automobiles, machine and parts of electric machines	100	100
MSSL Korea WH Limited (Korea)	Engineering	100	100
MSSL Mexico S.A. DE C.V. (Mexico)	Manufacturing of and trading with wire harness for automobiles, machine and parts of electric machines	99.99	99.99
MSSL WH System (Thailand) Co. Ltd. (Thailand)	Manufacturing of and trading with wire harness for automobiles, machine and parts of electric machines	100	100

6. Deposits, prepayments and other receivables

	2019	2018
	S\$	S\$
Deposits	6,170	6,170
GST receivable	951	493
Prepaid expenses	9,532	8,930
	<u>16,653</u>	<u>15,593</u>

7. Cash and cash equivalents

	2019	2018
	S\$	S\$
Cash and bank balances	491,298	202,852
Fixed deposit	336,617	333,439
Cash and cash equivalents per statement of cash flows	<u>827,915</u>	<u>536,291</u>

Fixed deposits bear effective interest rate of 1% - 1.39% per annum and were made for a period of 12 months (2018: 12 months).

MSSL (S) PTE. LTD.
Notes to the Financial Statements
For the financial year ended 31 March 2019

8. Related parties

(a) Loan to subsidiaries (non-trade)

	2019	2018
	S\$	S\$
Loan #1	704,324	833,187
Loan #2	1,435,031	1,365,645
Loan #3	1,048,891	1,048,891
Loan #4	1,010,784	977,572
	<u>4,199,030</u>	<u>4,225,295</u>
Less: Accumulated impairment losses*	<u>(1,010,784)</u>	<u>-</u>
	<u><u>3,188,246</u></u>	<u><u>4,225,295</u></u>

Loan #1 is unsecured, interest charged at a fixed rate of 3% to 4.8% for the loan denominated in Thai Baht and is to be repaid by 30 June 2020.

Loan #2 is unsecured, interest charged at a floating rate of 3 month Libor + 1.5% on a 365-day basis for the loan denominated in United States Dollars and is to be repaid by 20 March 2021.

Loan #3 is unsecured, interest charged at a floating rate of 3 month Libor + 1.5% on a 365-day basis for the loan denominated in United States Dollars and is to be repaid by 26 September 2019.

Loan #4 is unsecured and interest-free and is to be repaid by 18 March 2021.

*One of the subsidiaries is in significant financial difficulty and management has assessed that given the circumstances, the Company is unlikely to recover the loan and interest owed by the subsidiary entity and recognized an impairment charge of S\$1,010,784 for the year.

(b) Amount due to holding company

	2019	2018
	S\$	S\$
Non-trade	<u>25,469</u>	<u>13,851</u>

The amount due to the holding company is unsecured, interest-free and is repayable on demand.

9. Share capital

	No. of ordinary shares Issued share capital	Amount share capital S\$
At 31 March 2019 and 31 March 2018	<u>20,554,700</u>	<u>20,554,700</u>

All issued ordinary share are fully paid. There is no par value for these ordinary shares.

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. Under the Singapore Companies Act, Cap. 50, all shares no longer have any par value.

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10. Other income

	2019	2018
	S\$	S\$
Miscellaneous income	1,381	1,788
Interest income	132,090	121,843
Net foreign exchange gain	131,526	-
Reversal of impairment loss on investment in subsidiaries	2,299,244	1,650,414
	<u>2,564,241</u>	<u>1,774,045</u>

11. Staff costs

	2019	2018
	S\$	S\$
Key management personnel: -		
Director's salaries and bonus	206,087	201,779
Director's CPF	13,261	13,261
Other short term benefits	36,929	34,653
Other employees: -		
CPF	1,718	2,704
Salaries and bonus	38,558	45,302
Other short term benefits	874	779
	<u>297,427</u>	<u>298,478</u>

12. Other operating expenses

	2019	2018
	S\$	S\$
Other operating expenses include the following significant items: -		
Hire charges	35,952	36,558
Withholding tax expense	49,001	27,624
Travel expenses	41,267	6,035
Net foreign exchange losses	-	165,545
	<u>-</u>	<u>165,545</u>

13. Taxation

(a) Major components of income tax expense

	2019	2018
	S\$	S\$
Current year's tax expense	-	11,000
Over provision in prior year	-	(2,127)
Tax expense	<u>-</u>	<u>8,873</u>

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13. Taxation (continued)

(b) Reconciliation between tax expense and accounting profit/(loss)

	2019	2018
	S\$	S\$
Accounting profit before taxation	<u>1,490,450</u>	<u>1,587,501</u>
Tax benefit at the applicable tax rate of 17% (2018: 17%)	253,377	269,875
Tax effect of expenses that are not deductible in determining taxable profit	197,685	49,503
Tax effect of income that are not chargeable in determining taxable profit	(394,787)	(280,571)
Tax effect of partial tax exemption	(17,425)	(19,829)
Tax rebate and double tax relief	(38,850)	(7,978)
Over provision in respect of prior years	<u>-</u>	<u>(2,127)</u>
	<u>-</u>	<u>8,873</u>

14. Operating lease commitments – As lessee

Future minimum rental payable for lease of motor vehicles under operating leases at the date of statement of financial position are as follows: -

	2019	2018
	S\$	S\$
Payable within 1 year	66,120	66,120
Payable after 1 year but not more than 5 years	45,582	113,196
	<u>111,702</u>	<u>179,316</u>

Operating lease expenses recognised in the statement of comprehensive income during the financial year amounted to S\$66,126 (2018: S\$67,800).

15. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties at terms agreed between the parties, are as follows: -

	2019	2018
	S\$	S\$
Holding company		
Service fees	(60,000)	(60,000)
Sales	(120,000)	(121,920)
Recharge of expenses	(429,928)	(397,036)
Subsidiaries		
Loan disbursement	-	1,088,000
Interest charged	<u>(128,912)</u>	<u>(117,345)</u>

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16. Transition to the SFRS for Small Entities

The financial statements of the Company for the prior financial year ended 31 March 2018 were prepared using the full SFRS. This set of financial statements is the first financial statements prepared using the SFRS for Small Entities. The transition to the SFRS for Small Entities did not result in any change to the accounting policies and did not result in any change to the Company's equity as at 1 April 2017 (date of transition to SFRS for Small Entities) and as at 31 March 2018, and had no effect on the profit or loss for the previous financial year ended 31 March 2018.

17. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 15 MAY 2019.

MSSL (S) PTE. LTD.**Other expenditures****For the financial year ended 31 March 2019***(for management purposes only)*

	2019	2018
	S\$	S\$
Auditors' remuneration	7,200	(612)
Bank charges	268	597
Business promotion expenses	1,766	698
Net foreign exchange loss	-	165,545
Insurance	8,319	2,048
Transport expense	17,093	17,484
Office expenses	4,685	2,673
Postage & courier	1,060	774
Printing & stationery	2,565	4,700
Rates and taxes	7,120	6,330
Repair & maintenance	10,507	12,383
Professional expenses	6,971	3,166
Telephone, facsimile & internet charges	4,069	4,032
Travel expenses	41,267	6,035
Water & electricity	4,618	3,940
Hire charges	35,952	36,558
Withholding tax expense	49,001	27,624
	202,461	293,975