

MRF SG PTE. LTD.
(Company Registration No: 201421655R)
(Incorporated in the Republic of Singapore)

Separate Financial Statements For The
Financial Year Ended 31 March 2026

MRF SG PTE. LTD.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

The directors are pleased to present their statement to the member together with the audited separate financial statements of MRF SG PTE. LTD. (the "Company") for the financial year ended 31 March 2026.

1. Opinion of Directors

In the opinion of the directors,

- (a) the separate 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 2026 and of the financial performance, changes in equity and cash flows of the Company for the financial year then ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

2. Directors

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

Kandathil Mammen Mammen
Arun Mammen
Rahul Mammen Mappillai
Koyikal Thomas Easow

3. Arrangements to Enable Directors to Acquire Shares or 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 in, or debentures of the Company or any other body corporate.

4. Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings required to be kept by the Company under Section 164 of the Act, the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

MRF SG PTE. LTD.

DIRECTORS' STATEMENT (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

5. Share Options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

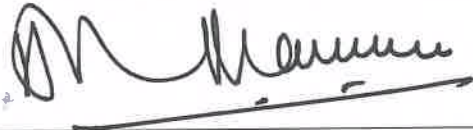
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. Auditors

The auditors, K.C. CHAN & CO PAC, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors



Kandathil Mammen Mammen
Director



Arun Mammen
Director



Rahul Mammen Mappillai
Director

Dated: **22 APR 2026**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
MRF SG PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of MRF SG PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the separate financial statements, including material accounting policies.

In our opinion, the accompanying separate financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2026 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 Separate 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 separate 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 2 to 3].

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 MEMBER OF (CONT'D)
MRF SG PTE. LTD.**

Responsibilities of Management and Directors for the Separate Financial Statements

Management is responsible for the preparation of separate 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 separate financial statements and to maintain accountability of assets.

In preparing the separate 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 Separate Financial Statements.

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF (CONT'D)
MRF SG PTE. LTD.**

Auditor's Responsibilities for the Audit of the Separate Financial Statements. (Cont'd)

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.



K. C. CHAN & CO PAC
Public Accountants and
Chartered Accountants

Singapore, **22 APR 2026**

MRF SG PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	2026 US\$	2025 US\$
Turnover	13	393,102,666	384,261,153
Other income	14	816,061	571,142
		393,918,727	384,832,295
Purchase of traded goods		(381,857,395)	(371,554,460)
Employee benefits expenses	15	(443,735)	(401,150)
Depreciation	3	(1,284)	(1,300)
Finance costs	16	(7,990,282)	(8,257,299)
Other expenses	17	(270,749)	(220,621)
Profit before tax		3,355,282	4,397,465
Income tax	18	(502,360)	(647,945)
Profit for the year, representing total comprehensive income for the year		2,852,922	3,749,520

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

MRF SG PTE. LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	2026 US\$	2025 US\$
ASSETS			
<i>Non-Current Assets</i>			
Investment in subsidiary	2	2,732	-
Plant and equipment	3	2,466	3,465
Sundry deposit		21,638	21,638
<i>Total Non-Current Assets</i>		<u>26,836</u>	<u>25,103</u>
<i>Current Assets</i>			
Trade receivable	4	161,560,045	152,301,199
Other receivables	5	7,121,277	10,795,487
Derivative	6	1,111,068	56,128
Cash and cash equivalents	7(a)	13,182,500	11,622,569
<i>Total Current Assets</i>		<u>182,974,890</u>	<u>174,775,383</u>
Total Assets		<u>183,001,726</u>	<u>174,800,486</u>
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	8	1,008,005	1,008,005
Retained earnings		17,230,270	14,377,348
<i>Total Equity</i>		<u>18,238,275</u>	<u>15,385,353</u>
<i>Current Liabilities</i>			
Trade payables	9	4,213,825	4,451,385
Accruals	10	1,609,292	1,807,542
Amounts owing to bankers	11	158,417,223	152,485,025
Tax payable	12	523,111	671,181
<i>Total Current Liabilities</i>		<u>164,763,451</u>	<u>159,415,133</u>
Total Equity and Liabilities		<u>183,001,726</u>	<u>174,800,486</u>

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

MRF SG PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Share Capital	Retained Earnings	Total Equity
	US\$	US\$	US\$
Balance at 1 April 2024	1,008,005	10,627,828	11,635,833
Total comprehensive income for the financial year, net of tax	-	3,749,520	3,749,520
Balance at 31 March 2025	1,008,005	14,377,348	15,385,353
Total comprehensive income for the financial year, net of tax	-	2,852,922	2,852,922
Balance at 31 March 2026	1,008,005	17,230,270	18,238,275

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

MRF SG PTE. LTD.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	2026 US\$	2025 US\$
<i>Cash flows from operating activities</i>			
Profit after taxation		2,852,922	3,749,520
<i>Adjustments for:</i>			
Depreciation		1,284	1,300
(Gain)/ loss on foreign exchange		-	5,740
Income tax		502,360	647,945
Interest expenses		7,778,369	7,990,528
Interest income		(417,353)	(365,923)
Written off of plant and equipment at cost		958	-
<i>Operating profit before working capital changes</i>		10,718,540	12,029,110
Decrease in receivables		(6,423,093)	(107,030,292)
(Decrease) / increase in payables		(218,189)	2,435,634
<i>Cash generated from/ (used in) operations</i>		4,077,258	(92,565,548)
Income tax paid		(650,430)	(258,580)
<i>Net cash generated from / (used in) operating activities</i>		3,426,828	(92,824,128)
<i>Cash flows from investing activities</i>			
Advance to subsidiary		(1,089,926)	-
Repayment by subsidiary		883,681	-
Interest received		406,709	559,240
Acquisition of plant and equipment		(837)	-
Acquisition of subsidiary		(2,732)	-
<i>Net cash generated from investing activities</i>		196,895	559,240
<i>Cash flows from financing activities</i>			
Proceeds from borrowings		378,203,857	313,678,592
Repayment of borrowings		(372,271,659)	(212,369,534)
Interest paid		(7,995,990)	(6,638,396)
<i>Net cash (used in) / generated from financing activities</i>		(2,063,792)	94,670,662
Net increase in cash and cash equivalents		1,559,931	2,405,774
Cash and cash equivalents at the beginning of financial year	7(a)	11,622,569	9,222,534
Effects of currency translation on cash and cash equivalents		-	(5,739)
Cash and cash equivalents at the end of financial year	7(a)	13,182,500	11,622,569

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

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

1. Material Accounting Policies

(a) Basis of Preparation

These Separate financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below:

The preparation of these separate financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are material to the financial statements are disclosed in Note 21 to the financial statements.

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 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

Standards issued but not yet effective

A number of new standards and amendments to standards that have been issued are not yet effective and have not been applied in preparing these separate financial statements. The directors expect that the adoption of these new and amended standards will have no material impact on the separate financial statements in the year of initial application.:

Effective for annual periods beginning on or after	Description
1 January 2026	<ul style="list-style-type: none"> Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosure</i>: Amendments to the Classification and Measurement of Financial Instruments Annual Improvement the FRSs Volume 11
1 January 2027	<ul style="list-style-type: none"> FRS 118 <i>Presentation and Disclosure of Financial Statements</i> FRS 119 <i>Subsidiaries and Small Entities without Public Accountability</i>
Date to be determined	<ul style="list-style-type: none"> Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i>: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

1. Material Accounting Policies (Cont'd)

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(c) Taxes

(i) 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 Singapore where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

1. Material Accounting Policies (Cont'd)

(c) Taxes (Cont'd)

(ii) Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(iii) Sales tax

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

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

(d) Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers and printers	: 5 years
Office equipment	: 5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

1. Material Accounting Policies (Cont'd)

(e) Lease

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

As lessee

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

Short-term leases and leases of low-value assets

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

(f) Revenue

(i) Sales of Goods

The Company sells rubber and nylon commodities products to its customer located in India. Sales are recognised when control of the products have transferred to its customer, being when the products are delivered to the customer. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provision have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 5 months, which is consistent with market practice.

Revenue from sale of rubber and nylon products is recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised using the effective interest method.

1. Material Accounting Policies (Cont'd)

(g) Employee Benefits

(i) Defined contribution plans

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

(ii) Employees leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees up to the statement of financial position date, if any.

(iii) Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employment benefits, short-term employee benefits, or other long-term employee benefits.

(h) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

(i) Foreign Currency

The Separate financial statements are presented in United States Dollar (US\$), which is also the Company's functional currency.

1. Material Accounting Policies (Cont'd)

(i) Foreign Currency (Cont'd)

Transactions and balances - 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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.

(j) Borrowings Costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Share Capital

Ordinary shares are classified as equity.

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(l) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

1. Material Accounting Policies (Cont'd)

(m) Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (ii) a present obligation that arises from past events but is not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Financial Instruments

(i) Financial Assets

The Company classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

1. Material Accounting Policies (Cont'd)

(o) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

At initial recognition

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, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise cash and bank deposits, trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these groups of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using an effective interest rate method.

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivable, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

1. Material Accounting Policies (Cont'd)

(o) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

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.

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 flow will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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.

(ii) Financial Liabilities

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1. Material Accounting Policies (Cont'd)

(o) Financial Instruments (Cont'd)

(ii) Financial Liabilities (Cont'd)

Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(ii) Derivatives

A derivative financial instrument for which no hedged accounting is applied is initially recognised as its fair value on the date that contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Company does not apply hedge accounting for its derivative financial instruments.

(iv) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(p) Investment in Subsidiaries

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, if any.

2. Investment in Subsidiary

	2026 US\$	2025 US\$
Unquoted equity shares, at cost	2,732	-

Name of Subsidiary	Place of Incorporation and Operations	Percentage of Equity Held		Principal Activities
		2026 %	2025 %	
MRF DB - FZCO ^{1,2}	Dubai	100%	-	Tyres & Accessories

¹ Audited by other auditors² Newly incorporated subsidiary on May 2025**3. Plant and Equipment**

	Computer and printers US\$	Office equipment US\$	Total US\$
<i>Cost</i>			
At 01.04.2025	11,708	2,754	14,462
Additions	837	-	837
Written off	(958)	-	(958)
At 31.03.2026	11,587	2,754	14,341
<i>Accumulated Depreciation</i>			
At 01.04.2025	8,731	2,266	10,997
Depreciation for the year	1,067	217	1,284
Written off	(406)	-	(406)
At 31.03.2026	9,392	2,483	11,875
<i>Net Carrying Value</i>			
At 31.03.2026	2,195	271	2,466
At 31.03.2025	2,977	488	3,465

NOTES TO SEPARATE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. Trade Receivable

	2026 US\$	2025 US\$
Holding company	161,560,045	152,301,199

The average credit period on sales of goods is 5 months (2025: 5 months). No interest is charged on the outstanding trade receivable.

5. Other Receivables

	2026 US\$	2025 US\$
Advances paid to suppliers	5,577,453	9,468,552
Accrued interest income	23,813	13,169
Tax receivable on BAPA adjustment ¹	1,313,766	1,313,766
Amount owing by subsidiary ²	206,245	-
	<u>7,121,277</u>	<u>10,795,487</u>

¹Tax receivable on BAPA adjustment

On 28 February 2023, the Competent Authorities of Singapore and India have signed a Mutual Agreement on the Bilateral Advance Pricing Arrangement (the "BAPA") for the covered transactions between the Company with its holding company, namely MRF Limited. These transactions include the sale of traded goods, reimbursement of interest costs, freight charges and operating expenses incurred by the Company.

The BAPA covers financial years beginning 1st April 2019 to 31st March 2024 and rollback of four financial years from 1st April 2015 to 31st March 2019.

The Company accounts the price adjustment under BAPA as contract modification and accounted amounts of US\$10,039,532 payable to MRF Limited for period from 1st April 2015 to 31st March 2022. This has been netted off against the previous year's revenue as a cumulative catch-up adjustment.

During the financial year 31st March 2023, the Company has paid MRF Limited the compensation towards the covered transactions of US\$9,325,849 and the balance compensation of US\$713,683 are remitted on 28 April 2023.

For the years covered by BAPA, the Company has submitted the revised tax computations incorporating the compensating adjustments in terms and conditions of the BAPA on 31 May 2023. The above price adjustment had resulted reversal of income tax expenses of US\$1,313,766 (Note 17) and tax receivables of US\$1,313,766 (Note 4) and the same had already been considered in 2023's financial statements. These amounts are subject to agreement with the Inland Revenue Authority of Singapore (the "IRAS") and compliance with the terms and conditions of the BAPA. Up to report date, the review by IRAS is still on-going.

² The advances given to subsidiary is unsecured, interest free and repayable on demand.

6. Derivative

	2026		2025	
	Contract Amount	Assets	Contract Amount	Assets
	US\$	US\$	US\$	US\$
Forward currency contracts	27,478,194	1,111,068	15,879,331	56,128

Forward currency contracts are used to hedge foreign currency risk arising from the Company's sales denominated in Indian Rupee ("INR") for which firm commitments existed at the end of the reporting period.

7. (a) Cash and Cash Equivalents

	2026 US\$	2025 US\$
Cash at banks ¹	1,182,500	3,122,569
Fixed deposits ²	12,000,000	8,500,000
	<u>13,182,500</u>	<u>11,622,569</u>

¹Cash at bank earns no interest.

²Fixed deposits bear interest ranging from 3.76% - 4.44% (2025: 4.28% - 5.67%) per annum and have average maturity period of 7 – 182 days (2025: 13 – 91 days).

7. (b) A reconciliation of liability arising from financing activities is as follows:

	01-Apr 2025 US\$	Cash flows US\$	<i>Non-Cash Changes</i>		31-Mar 2026 US\$
			Accretion of interests US\$	Others US\$	
Liability					
Amount owing to bankers	152,485,025	(2,063,792)	7,778,369	217,621	158,417,223
<i>Net cash flows</i>		<u>(2,063,792)</u>			
	01-Apr 2024 US\$	Cash flows US\$	<i>Non-Cash Changes</i>		31-Mar 2025 US\$
			Accretion of interests US\$	Others US\$	
Liability					
Amount owing to bankers	51,175,967	94,670,662	7,990,528	(1,352,132)	152,485,025
<i>Net cash flows</i>		<u>94,670,662</u>			

8. Share Capital

	2026		2025	
	Number of shares	US\$	Number of shares	US\$
<i>Issued and fully paid:</i>				
Ordinary shares	1,273,200	1,008,005	1,273,200	1,008,005

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

9. Trade Payables

	2026	2025
	US\$	US\$
Third parties	4,213,825	4,451,385

Trade payables are non-interest bearing and are normally settled on 60 days (2025: 60 days). No interest is charged on the trade payables.

10. Other Payable and Accruals

	2026	2025
	US\$	US\$
<i>Accruals:</i>		
- Miscellaneous expenses	54,044	34,673
- Interest	1,555,248	1,772,869
	1,609,292	1,807,542

11. Amount Owing to Bankers

	2026	2025
	US\$	US\$
Loans denominated in USD	158,417,223	152,485,025

Loans are backed by way of letter of comfort from holding company, namely MRF Limited. The loans are repayable in full within 3 to 7 months (2025: 3 to 7 months) from the drawdown date.

During the financial year, interest rates charged by bankers ranging from 4.17% - 4.50% (2025: 4.8% - 6.3%) per annum.

NOTES TO SEPARATE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**12. Tax Payable**

	2026	2025
	US\$	US\$
Tax payable	523,111	671,181
Tax receivable on BAPA adjustment (Note 5)	<u>(1,313,766)</u>	<u>(1,313,766)</u>
	<u>(790,655)</u>	<u>(642,585)</u>
Balance at beginning of year	(642,585)	(1,031,950)
Tax charged to statement of comprehensive income:		
- Current year's tax expense on profit	502,360	647,945
Income tax paid	<u>(650,430)</u>	<u>(258,580)</u>
Balance at end of year	<u>(790,655)</u>	<u>(642,585)</u>

The Company's Global Trader Programme ("GTP") tax incentive expired on 31 March 2024. Subsequent discussions were held with Enterprise Singapore regarding the renewal of the incentive.

With the introduction of Singapore's 15% minimum effective tax rate for multinational enterprises ("MNEs"), effective from 1 January 2025, management elected to apply the 15% tax rate under the new tax framework.

On 4 December 2025, the Company obtained the letter of Approval in principle from Enterprise Singapore on the Company's GTP incentive 15% renewal has been locked in for the incentive period from 1 April 2024 to 31 March 2029, subject to the terms and conditions of the GTP Letter of Award.

Based on the receipt of the GTP Letter of Award and management's assessment that it is granted that the Company will comply with relevant terms and conditions of the incentive, the Company has applied the ongoing compliance with the conditions of the GTP incentive under the Incentive-Scheme, 15% tax rate apply.

13. Turnover

	2026	2025
	US\$	US\$
<i>At the point-in-time:</i>		
Revenue from sale of rubber products	<u>393,102,666</u>	<u>384,261,153</u>

NOTES TO SEPARATE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

14. Other Income

	2026 US\$	2025 US\$
Interest income	417,353	365,923
Miscellaneous income	1,927	1,848.00
Foreign exchange gain	396,781	203,371
	<u>816,061</u>	<u>571,142</u>

15. Employee Benefits Expenses

	2026 US\$	2025 US\$
CPF & other contributions	26,009	27,151
Salaries, bonus, allowances	417,726	373,999
	<u>443,735</u>	<u>401,150</u>

16. Finance Costs

	2026 US\$	2025 US\$
Bank charges	211,913	266,771
Loan interest	7,778,369	7,990,528
	<u>7,990,282</u>	<u>8,257,299</u>

17. Other Expenses

	2026 US\$	2025 US\$
<i><u>This is determined after (crediting)/ charging the following:</u></i>		
Director's fee	17,030	16,328
Rental	76,979	68,453
Miscellaneous expenses	176,740	135,840
	<u>270,749</u>	<u>220,621</u>

18. Income Tax

	2026 US\$	2025 US\$
<i>Tax expenses attributable to profit is made up of:</i>		
- Current year tax (Note 12)	502,360	647,945
	<u>502,360</u>	<u>647,945</u>

NOTES TO SEPARATE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

18. Income Tax (Cont'd)

The income tax on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before tax due to the following factors:

	2026 US\$	2025 US\$
Profit before tax	3,355,282	4,397,465
Tax expense on profit before tax at 17%	570,398	747,569
<i>Adjustments:</i>		
Non-deductible expenses	1,805	2,893
Non-taxable income	(306)	(265)
Change in temporary differences	218	220
Concessionary rate	(58,940)	(79,764)
Exempt and rebate amount	(13,539)	(13,013)
Others	2,724	(9,695)
	<u>502,360</u>	<u>647,945</u>

19. (a) Related Parties Transactions

During the financial year, the Company had significant transactions with related parties which is carried out on terms agreed between the parties concerned not disclosed elsewhere in the separate financial statements as follows:

	2026 US\$	2025 US\$
Advance to subsidiary	1,089,926	-
Repayment from subsidiary	883,681	-
Sales to holding company	393,102,666	384,261,153

(b) Key Management Compensation

Key management's remuneration includes salary and other emoluments computed based on the cost incurred by the company and where the company did not incur any costs, the value of the benefit is included. The key management's remuneration included in staff cost is as follow:

	2026 US\$	2025 US\$
Director's fee	17,030	16,328

The above staff costs include key management personnel. These key management personnel is holding managerial positions as above.

20. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, capital risk and market risk (pertaining to price risk, interest rate risk and currency risk). The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) Capital Management

The Company's objectives when managing capital are:

- (a) To safeguard the Company's ability to continue as a going concern;
- (b) To support the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder return, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

	2026 US\$	2025 US\$
Trade payables	4,213,825	4,451,385
Amounts owing to bankers	158,417,223	152,485,025
	<u>162,631,048</u>	<u>156,936,410</u>
Cash and cash equivalents [Note 7(a)]	(13,182,500)	(11,622,569)
	<u>149,448,548</u>	<u>145,313,841</u>
 Total Equity	 <u>18,238,275</u>	 <u>15,385,353</u>
 Gearing	 <u>8.19</u>	 <u>9.44</u>

(b) Credit Risk

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

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

19. Financial Risk Management (Cont'd)*(b) Credit Risk (Cont'd)*

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

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

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognition of expected credit losses (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

NOTES TO SEPARATE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**19. Financial Risk Management (Cont'd)***(b) Credit Risk (Cont'd)*

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

31 March 2026	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
			Lifetime ECL (simplified)			
Trade receivable	4	*		161,560,045	-	161,560,045
Other receivables	5	I	12-month ECL	230,058	-	230,058
Cash and cash equivalents	7(a)	I	12-month ECL	13,182,500	-	13,182,500
				<u>174,972,603</u>	<u>-</u>	<u>174,972,603</u>
31 March 2025	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
			Lifetime ECL (simplified)			
Trade receivable	4	*		152,301,199	-	152,301,199
Other receivables	5	I	12-month ECL	13,169	-	13,169
Cash and cash equivalents	7(a)	I	12-month ECL	11,622,569	-	11,622,569
				<u>163,936,937</u>	<u>-</u>	<u>163,936,937</u>

**Trade receivables*

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	2026 US\$	2025 US\$
<i>Current</i>		
Trade receivables	161,560,045	152,301,199
Loss allowances	<u>-</u>	<u>-</u>

19. Financial Risk Management (Cont'd)

(b) Credit Risk (Cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk other than those balances with holding company comprising 100% (2025: 100%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables (Include advance given to subsidiary)

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and cash equivalents

The Company held cash and cash equivalents as stated in Note 7(a) to the separate financial statements. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on independent rating agencies.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

(c) Liquidity Risk

Liquidity risk is the risk that Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility.

The Company monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Such liquidity risks are minimised by the amount of cash and bank balances as stated in Note 7(a) to the separate financial statements.

All financial assets and liabilities mature within one year and the contractual cash flow of these assets and liabilities approximately its carrying amount.

19. Financial Risk Management (Cont'd)*(d) Market Risk**(i) Price risk*

The Company has no exposure to equity price risk as it does not hold equity financial assets that are exposed to price risk.

(ii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Company's financial conditions and / or results. The primary source of the Company's interest rate risk is its borrowings from banks in Singapore. The Company incurs net financing costs during the year.

The Company ensures that it obtains borrowings at competitive interest rates.

The following table sets out the carrying amount of the Company's financial instruments that are exposed to interest rate risk:

	2026 US\$	2025 US\$
<u><i>Floating rate</i></u>		
Amounts owing to bankers	<u>158,417,223</u>	<u>152,485,025</u>

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests in financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risks.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 1% higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2026 would decrease / increase by an average of US\$1,584,172 (2025: US\$1,524,850). This is attributable to the Company's exposure to interest rates on its variable rates on the average outstanding amounts owing to bankers over 12 months.

(iii) Foreign currency risk

The Company was not significantly exposed to foreign currency risk as the transactions entered by the Company are mainly denominated in its functional currency.

20. Fair Value of Assets and Liabilities*(a) Fair value hierarchy*

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Cash and cash equivalents, other receivables and accruals

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

(c) Trade receivables and trade payables

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

(d) Amount owing to bankers

The carrying amounts of amount owing to bankers approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

(e) Derivatives

The following table shows an analysis of instruments carried at fair value by level of fair value hierarchy are as follow:

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical (Level 1) US\$	Significant observable inputs other than quoted (Level 2) US\$	Unobservable inputs (Level 3) US\$	Total US\$
2026				
<i>Derivative asset</i>				
Forward currency contracts	-	1,111,068	-	1,111,068
2025				
<i>Derivative asset</i>				
Forward currency contracts	-	56,128	-	56,128

21. Critical Accounting Estimates, Assumptions and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the separate financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Expected credit losses (ECL) on trade receivables

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL of trade receivables, the Company has used one year of historical losses data to determine the loss rate and applied an adjustment against the historical loss rate based on the change in Gross Domestic Product (GDP) and unemployment rate to reflect the current and forward-looking information.

As at reporting date, no ECLs for trade receivables are being recognised.

(b) Uncertain tax positions

Significant judgment is involved in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Company's income tax liabilities and tax recoverables at 31 March 2026 was approximately US\$523,111 (2025: US\$671,181) and US\$ 1,313,766 (2025: US\$ 1,313,766)

22. Financial Instruments by Category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities were as follows:

	2026 US\$	2025 US\$
Financial assets, at fair value through profit or loss (FVPL)	1,111,068	56,128
Financial assets, at amortised cost	174,972,603	163,936,937
Financial liabilities, at amortised cost	162,631,048	156,936,410

23. Comparative figures

In year 2025, the Company classified the foreign exchange gain in other expenses within statement of comprehensive income by function. In year 2026, the Company changed its presentation to classify the foreign exchange gain in other income within statement of comprehensive income by nature. Since the changes of presentation within operating activities in the statement of comprehensive income, these changes do not have any effect on the statement of financial position and cash flow.

24. Holding Company

The immediate and ultimate holding company is MRF Limited, a company incorporated in India.

25. General

The Company is incorporated in the Republic of Singapore with its registered office and principal place of business at situated 11 Collyer Quay, #10-15 The Arcade, Singapore 049317.

The principal activities of the Company are sourcing and supplying of materials.

The principal activities of the subsidiary are described in Note 2 to the separate financial statements.

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

26. Authorisation of Separate Financial Statements

These separate financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MRF SG PTE. LTD. on **22 APR 2026**

MRF SG PTE. LTD.
(Registration No.: 201421655R)
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	2026 US\$	2025 US\$
TURNOVER	393,102,666	384,261,153
OTHER INCOME	816,061	571,142
	<u>393,918,727</u>	<u>384,832,295</u>
LESS: EXPENSES		
Purchase of traded goods	(381,857,395)	(371,554,460)
<i>Employee benefits expenses</i>		
Salaries, bonus and allowances	(417,726)	(373,999)
CPF & other contributions	(26,009)	(27,151)
	<u>(443,735)</u>	<u>(401,150)</u>
Depreciation	(1,284)	(1,300)
<i>Finance costs</i>		
Bank charges	(211,913)	(266,771)
Loan interest	(7,778,369)	(7,990,528)
	<u>(7,990,282)</u>	<u>(8,257,299)</u>
<i>Other expenses</i>		
Auditor remuneration	(34,008)	(25,382)
Director's fee	(17,030)	(16,328)
Insurance	(4,698)	(6,958)
Miscellaneous expenses	(66,608)	(51,111)
Personnel selection expense	(16,154)	-
Postage & courier	(15,927)	(16,791)
Rental	(76,979)	(68,453)
Stamp & registration fees	(306)	(478)
Tax fees	(5,057)	(4,784)
Telecommunication	(2,651)	(2,482)
Travelling expenses	(31,331)	(27,854)
	<u>(270,749)</u>	<u>(220,621)</u>
PROFIT BEFORE TAX	3,355,282	4,397,465
INCOME TAX EXPENSE		
Overprovision in prior years	-	10,479
Current year tax	(502,360)	(658,424)
	<u>(502,360)</u>	<u>(647,945)</u>
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,852,922</u>	<u>3,749,520</u>

This statement does not form part of the separate financial statements of the Company

MRF SG PTE. LTD.
(Company Registration No: 201421655R)
(Incorporated in the Republic of Singapore)
AND ITS SUBSIDIARY

Financial Statements For The
Financial Year Ended 31 March 2026

The directors are pleased to present their statement to the member together with the audited financial statements of MRF SG Pte. Ltd. (the "Company") and of the Group (the Company and its "subsidiary") for the financial year ended 31 March 2026 and the statement of financial position of the Company as at 31 March 2026.

1. Opinion of Directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of Company as at 31 March 2026 and of the consolidated financial performance, consolidated of changes in equity and consolidated cash flows of the Group for the financial year then ended on that date in accordance with provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

2. Directors

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

Kandathil Mammen Mammen
Arun Mammen
Rahul Mammen Mappillai
Koyikal Thomas Easow

3. Arrangements to Enable Directors to Acquire Shares or 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 Group to acquire benefits by means of the acquisition of shares in, or debentures of the Group or any other body corporate.

4. Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5. Share Options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or any corporation in the Group.

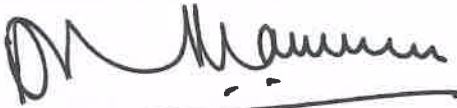
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

There were no unissued shares of the Company or any corporation in the Group under option at the end of the financial year.

6. Auditor

The auditors, KC Chan & Co PAC, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors


+

Kandathil Mammen Mammen
Director


+

Arun Mammen
Director


+

Rahul Mammen Mappillai
Director

Dated: 04 MAY 2026

Office address: Telephone: (65) 6324 7718
105 Cecil Street Telefax : (65) 6225 9110
#15-01 The Octagon
Singapore 069534

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
MRF SG PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MRF SG PTE. LTD. (the "Company") and its subsidiary (collectively "the Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSSs) so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 Group 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 2 to 3].

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 MEMBER OF
MRF SG PTE. LTD. (CONT'D)**

Report on the Audit of the Financial Statements (Cont'd)

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 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 Group'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 Group'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 Group 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
MRF SG PTE. LTD. (CONT'D)**

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

(cont)

KC Chan & Co PAC
Public Accountants and
Chartered Accountants

Singapore, **04 MAY 2026**

MRF SG PTE. LTD.
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	GROUP
		2026
		US\$
Revenue	14	393,102,666
Other income	15	816,061
		<u>393,918,727</u>
Purchases of traded goods		(381,857,395)
Employee benefits expenses	16	(443,735)
Other expenses	17	(274,805)
Depreciation	3	(1,284)
Finance costs	18	<u>(7,990,282)</u>
<i>Profit before tax</i>		3,351,226
Income tax	19	<u>(502,360)</u>
<i>Profit for the year</i>		<u><u>2,848,866</u></u>
<i>Other comprehensive income:</i>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign exchange translation		<u>(4,765)</u>
<i>Other comprehensive income for the year, net of tax</i>		<u>(4,765)</u>
<i>Total comprehensive income for the year, net of tax</i>		<u><u>2,844,101</u></u>
<i>Profit attributable to:</i>		
Equity holders of the Company		<u><u>2,848,866</u></u>
<i>Total comprehensive income attributable to:</i>		
Equity holders of the Company		<u><u>2,844,101</u></u>

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

MRF SG PTE. LTD.
AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	COMPANY		
		GROUP	2026	2025
		2026	2026	2025
		US\$	US\$	US\$
<u>ASSETS</u>				
<i>Non-Current Assets</i>				
Investment in subsidiary	2	-	2,732	-
Plant and equipment	3	2,466	2,466	3,465
Sundry deposits		21,638	21,638	21,638
<i>Total Non-Current Assets</i>		<u>24,104</u>	<u>26,836</u>	<u>25,103</u>
<i>Current Assets</i>				
Trade receivables	4	161,560,045	161,560,045	152,301,199
Other receivables	5	6,915,032	7,121,277	10,795,487
Derivative	6	1,111,068	1,111,068	56,128
Cash and cash equivalents	7(a)	13,386,659	13,182,500	11,622,569
<i>Total Current Assets</i>		<u>182,972,804</u>	<u>182,974,890</u>	<u>174,775,383</u>
Total Assets		<u><u>182,996,908</u></u>	<u><u>183,001,726</u></u>	<u><u>174,800,486</u></u>
<u>EQUITY AND LIABILITIES</u>				
<i>Equity</i>				
<i>Attributable to equity holders of parent</i>				
Share capital	8	1,008,005	1,008,005	1,008,005
Revenue reserve		17,226,214	17,230,270	14,377,348
Currency translation reserve	9	(4,765)	-	-
<i>Total Equity</i>		<u>18,229,454</u>	<u>18,238,275</u>	<u>15,385,353</u>
<i>Current Liabilities</i>				
Trade payables	10	4,213,825	4,213,825	4,451,385
Accruals	11	1,613,295	1,609,292	1,807,542
Amounts owing to bankers	12	158,417,223	158,417,223	152,485,025
Tax payable	13	523,111	523,111	671,181
<i>Total Current Liabilities</i>		<u>164,767,454</u>	<u>164,763,451</u>	<u>159,415,133</u>
<i>Total Liabilities</i>		<u>164,767,454</u>	<u>164,763,451</u>	<u>159,415,133</u>
Total Equity and Liabilities		<u><u>182,996,908</u></u>	<u><u>183,001,726</u></u>	<u><u>174,800,486</u></u>

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

MRF SG PTE. LTD.
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	<i>Attributable to Equity Holder of Parent</i>			Total US\$
	Share Capital	Revenue Reserve	Currency Translation Reserve	
	US\$	US\$	US\$	
Balance as at 01 April 2025	1,008,005	14,377,348	-	15,385,353
Total comprehensive income for the year, net of tax	-	2,848,866	(4,765)	2,844,101
Balance as at 31 March 2026	1,008,005	17,226,214	(4,765)	18,229,454

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

MRF SG PTE. LTD.
AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	GROUP
	2026
	US\$
<i>Cash flows from operating activities</i>	
Profit after tax	2,848,866
<u><i>Adjustments for:</i></u>	
Depreciation	1,284
Gain on foreign exchange	(177,931)
Income tax	502,360
Interest expenses	7,778,369
Interest income	(417,353)
Written off plant and equipment	958
<i>Operating profit before working capital changes</i>	<u>10,536,553</u>
<u><i>Changes in working capital</i></u>	
Trade and other receivables	(6,423,093)
Trade and other payables	(214,186)
<i>Cash generated from operations</i>	<u>3,899,274</u>
Income tax paid	(650,430)
<i>Net cash generated from operating activities</i>	<u>3,248,844</u>
 <i>Cash flows from investing activities</i>	
Purchase of plant and equipment	(837)
Interest received	406,709
<i>Net cash generating from investing activities</i>	<u>405,872</u>
 <i>Cash flows from financing activities</i>	
Proceeds from borrowings	378,203,857
Repayment of borrowings	(372,271,659)
Interest paid	(7,995,990)
<i>Net cash used in financing activities</i>	<u>(2,063,792)</u>
Net increase in cash and cash equivalents	1,590,924
Cash and cash equivalents at beginning of the financial year	11,622,569
Net effect of exchange rate changes in consolidation	173,166
Cash and cash equivalents at end of the financial year [Note 7(a)]	<u>13,386,659</u>

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

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

1. Material Accounting Policies

(a) Basis of Preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are material to the financial statements are disclosed in Note 23 to the financial statements.

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 have adopted all the new and amended standards which are relevant to the Company are effective for annual financial periods beginning on or after 01 April 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements. The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

Effective for annual periods commencing on

Description

1 January 2026	<ul style="list-style-type: none"> Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosure</i>: Amendments to the Classification and Measurement of Financial Instruments Annual Improvement the FRSs Volume 11
1 January 2027	<ul style="list-style-type: none"> FRS 118 <i>Presentation and Disclosure of Financial Statements</i> FRS 119 <i>Subsidiaries without Public Accountability: Disclosures</i>
Date to be determined	<ul style="list-style-type: none"> Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i>: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

1. Material Accounting Policies (Cont'd)

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise unpledged bank deposits, cash at bank and on hand that are readily convertible to known amount of cash, and which are subject to an insignificant risk of changes in value.

(c) Taxes

(i) 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 Singapore where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

1. Material Accounting Policies (Cont'd)

(c) Taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(iii) Sales tax

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

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

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

1. Material Accounting Policies (Cont'd)

(d) Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers and printers	: 5 years
Office equipment	: 5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

1. Material Accounting Policies (Cont'd)

(e) Lease

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

As lessee

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

Short-term leases and leases of low-value assets

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

(f) Revenue

(i) Sale of goods

The Group sells rubber and nylon commodities products to its customer located in India. Sales are recognised when control of the products have transferred to its customer, being when the products are delivered to the customer. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provision has lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 5 months, which is consistent with market practice.

Revenue from sale of rubber and nylon products is recognised when the Group has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised using the effective interest method.

1. Material Accounting Policies (Cont'd)

(g) Employee Benefits

(i) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws in the country of each entity in which it has operations. The Group make contributions to the relevant scheme. Contributions to the schemes are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

(iii) Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employment benefits, short-term employee benefits, or other long-term employee benefits.

(h) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of the financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

1. Material Accounting Policies (Cont'd)

(i) Functional and Foreign Currency

The financial statements are presented in United States Dollar (US\$), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances - Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiary 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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.

Transactions of Group Entities' Financial Statements - The result and financial position of Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statements of financial position;
- (b) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (c) All resulting exchange differences are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Consolidation Adjustments - On consolidation, currency translation differences arising from the net investment in foreign operations and borrowings and other currency instruments designated as hedges of such investments are taken to the foreign currency translation reserve. When a foreign operation is disposed of, such currency translation differences are recognised in the statements of profit or loss as part of the gain or loss on disposal.

1. Material Accounting Policies (Cont'd)

(j) Borrowings Costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Share Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(k) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

1. Material Accounting Policies (Cont'd)

(l) Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (ii) a present obligation that arises from past events but is not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1. Material Accounting Policies (Cont'd)

(n) Financial Instruments

(i) Financial Assets

The Group classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party. If the trade receivables do not contain a significant financing component at initial recognition.

1. Material Accounting Policies (Cont'd)

(n) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

At subsequent measurement

Debt Instrument

Debt instruments of the Group and the Company mainly comprise of cash and cash equivalents, trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these groups of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivables, the Group applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivable, cash and equivalents, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

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 has been recognised in other comprehensive income for debt instruments is recognised in profit and loss.

1. Material Accounting Policies (Cont'd)

(n) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Impairment of financial assets

The Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

1. Material Accounting Policies (Cont'd)

(n) Financial Instruments (Cont'd)

(ii) Financial Liabilities

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(iii) Derivatives

A derivative financial instrument for which no hedged accounting is applied is initially recognised as its fair value on the date that contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Group and the Company does not apply hedge accounting for its derivative financial instruments.

(iv) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1. Material Accounting Policies (Cont'd)

(o) Basis of Consolidation and Business Combination

(i) Basis of Consolidation

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any Non-Controlling Interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The basis of measurement taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill, and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

1. Material Accounting Policies (Cont'd)

(o) Basis of Consolidation and Business Combination (Cont'd)

(ii) Subsidiary

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from Entities under Common Control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiary in the Separate Financial Statements

Investment in subsidiary is stated in the Company's statement of financial position at cost less accumulated impairment losses.

2. Investment in Subsidiary

	COMPANY	
	2026	2025
	US\$	US\$
Unquoted equity shares, at cost	2,732	-

The detail of the subsidiary is as follows:

Name of Subsidiary	Place of Incorporation and Operations	Percentage of Equity Held		Principal Activities
		2026	2025	
		%	%	
MRF DB - FZCO ^{1,2}	Dubai	<u>100%</u>	<u>-</u>	Tyres & Accessories Trading

¹ Audited by other auditors

² Newly incorporated subsidiary on May 2025

3. Plant and Equipment

	GROUP		
	Computer and printers	Office equipment	Total
	US\$	US\$	US\$
<i>Cost</i>			
At 01.04.2025	11,708	2,754	14,462
Additions	837	-	837
Written off	(958)	-	(958)
At 31.03.2026	11,587	2,754	14,341
<i>Accumulated Depreciation</i>			
At 01.04.2025	8,731	2,266	10,997
Depreciation for the year	1,067	217	1,284
Disposals	(406)	-	(406)
At 31.03.2026	9,392	2,483	11,875
<i>Net Book Value</i>			
At 31.03.2026	2,195	271	2,466
At 31.03.2025	2,977	488	3,465

	COMPANY		
	Computer and printers	Office equipment	Total
	US\$	US\$	US\$
<i>Cost</i>			
At 01.04.2024	11,708	2,754	14,462
Additions	-	-	-
At 31.03.2025 and 01.04.2025	11,708	2,754	14,462
Additions	837	-	837
Written off	(958)	-	(958)
At 31.03.2026	11,587	2,754	14,341
<i>Accumulated Depreciation</i>			
At 01.04.2024	7,648	2,050	9,698
Depreciation for the year	1,083	217	1,300
Disposals	-	(1)	(1)
At 31.03.2025 and 01.04.2025	8,731	2,266	10,997
Depreciation for the year	1,067	217	1,284
Written off	(406)	-	(406)
At 31.03.2026	9,392	2,483	11,875
<i>Net Carrying Value</i>			
At 31.03.2026	2,195	271	2,466
At 31.03.2025	2,977	488	3,465

MRF SG PTE. LTD.
AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. Trade Receivables

	GROUP	COMPANY	
	2026	2026	2025
	US\$	US\$	US\$
<i>Trade Receivables:</i>			
- Holding company	161,560,045	161,560,045	152,301,199
	<u>161,560,045</u>	<u>161,560,045</u>	<u>152,301,199</u>

The average credit period on rendering of services is 5 months (2025: 5 months). No interest is charged on the outstanding receivables.

5. Other Receivables

	GROUP	COMPANY	
	2026	2026	2025
	US\$	US\$	US\$
Advances paid to suppliers	5,577,453	5,577,453	9,468,552
Accrued interest income	23,813	23,813	13,169
Tax receivable on BAPA adjustment ¹	1,313,766	1,313,766	1,313,766
Amount owing by subsidiary ²	-	206,245	-
	<u>6,915,032</u>	<u>7,121,277</u>	<u>10,795,487</u>

5. Other Receivables (Cont'd)

¹ Tax receivable on BAPA adjustment.

On 28 February 2023, the Competent Authorities of Singapore and India have signed a Mutual Agreement on the Bilateral Advance Pricing Arrangement (the "BAPA") for the covered transactions between the Company with its holding company, namely MRF Limited. These transactions include the sale of traded goods, reimbursement of interest costs, freight charges and operating expenses incurred by the Company.

The BAPA covers financial years beginning 1st April 2019 to 31st March 2024 and rollback of four financial years from 1st April 2015 to 31st March 2019.

The Company accounts the price adjustment under BAPA as contract modification and accounted amounts of US\$10,039,532 payable to MRF Limited for period from 1st April 2015 to 31st March 2022. This has been netted off against the previous year's revenue as a cumulative catch-up adjustment.

During the financial year 31st March 2023, the Company has paid MRF Limited the compensation towards the covered transactions of US\$9,325,849 and the balance compensation of US\$713,683 are remitted on 28 April 2023.

For the years covered by BAPA, the Company has submitted the revised tax computations incorporating the compensating adjustments in terms and conditions of the BAPA on 31 May 2023. The above price adjustment had resulted reversal of income tax expenses of US\$1,313,766 (Note 17) and tax receivables of US\$1,313,766 (Note 5) and the same had already been considered in 2023's financial statements. These amounts are subject to agreement with the Inland Revenue Authority of Singapore (the "IRAS") and compliance with the terms and conditions of the BAPA. Up to report date, the review by IRAS still on-going.

² The advances given to subsidiary is unsecured, interest free and repayable on demand.

6. Derivative

	GROUP	
	2026	
	Contract Amount US\$	Assets US\$
Forward currency contracts	27,478,194	1,111,068

	COMPANY			
	2026		2025	
	Contract Amount US\$	Assets US\$	Contract Amount US\$	Assets US\$
Forward currency contracts	27,478,194	1,111,068	15,879,331	56,128

MRF SG PTE. LTD.
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NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

7. (a) Cash and Cash Equivalents

	<u>GROUP</u>	<u>COMPANY</u>	
	2026 US\$	2026 US\$	2025 US\$
Cash at banks ¹	1,386,659	1,182,500	3,122,569
Fixed deposit ²	12,000,000	12,000,000	8,500,000
	<u>13,386,659</u>	<u>13,182,500</u>	<u>11,622,569</u>

¹ Cash at banks earn interest at floating rates based on daily bank deposit rates.

² Fixed deposits bear interest ranging from 3.76% - 4.44% (2025: 4.28% - 5.67%) per annum and have average maturity period of 7- 182 days (2025: 13 – 91 days).

7. (b) A reconciliation of financing activities of consolidated statement of cash flow is as follows:

	01-Apr 2025 US\$	Cash flows US\$	<i>Non-cash changes</i>		31-Mar 2026 US\$
			Accretion of interests US\$	Others US\$	
<i>Liability</i>					
Amount owing to bankers	152,485,025	(2,063,792)	7,778,369	217,621	158,417,223
<i>Net Cash Flows</i>		<u>(2,063,792)</u>			

8. Share Capital

	GROUP AND COMPANY			
	2026		2025	
	Number of shares	US\$	Number of shares	US\$
Ordinary shares	<u>1,273,200</u>	<u>1,008,005</u>	<u>1,273,200</u>	<u>1,008,005</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

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

9. Currency Translation Reserve

The currency translation reserves comprise the foreign exchange differences arising from the translation of the financial statements of overseas subsidiary into United States.

10. Trade Payables

	GROUP		COMPANY	
	2026	2025	2026	2025
	US\$	US\$	US\$	US\$
Third parties	<u>4,213,825</u>	<u>4,213,825</u>	<u>4,451,385</u>	<u>4,451,385</u>

Trade payables are non-interest bearing and normally settled on 60 days (2025: 60 days). No interest is charged on the trade payables.

11. Other Payables and Accruals

	GROUP		COMPANY	
	2026	2025	2026	2025
	US\$	US\$	US\$	US\$
<i>Accruals:</i>				
- Staff costs	27,112	27,112	-	-
- Operating expenses	26,751	26,751	34,673	34,673
- Interest	1,555,248	1,555,248	1,772,869	1,772,869
- Others	4,184	181	-	-
	<u>1,613,295</u>	<u>1,609,292</u>	<u>1,807,542</u>	<u>1,807,542</u>
	<u>1,613,295</u>	<u>1,609,292</u>	<u>1,807,542</u>	<u>1,807,542</u>

12. Amount Owing to Bankers

	<u>GROUP</u>	<u>COMPANY</u>	
	2026 US\$	2026 US\$	2025 US\$
Loans denominated in USD	158,417,223	158,417,223	152,485,025

Loans are backed by way of letter of comfort from holding company, namely MRF Limited. The loans are repayable in full within 3 to 7 months (2025: 3 to 7 months) from the drawdown date.

During the financial year, interest rates charged by bankers ranging from 4.17% - 4.50% (2025: 4.80% - 6.30%) per annum.

13. Tax Payable

	<u>GROUP</u>	<u>COMPANY</u>	
	2026 US\$	2026 US\$	2025 US\$
Tax payable	523,111	523,111	671,181
Tax receivable on BAPA adjustment (Note 5)	(1,313,766)	(1,313,766)	(1,313,766)
	<u>(790,655)</u>	<u>(790,655)</u>	<u>(642,585)</u>

	<u>GROUP</u>	<u>COMPANY</u>	
	2026 US\$	2026 US\$	2025 US\$
<u>Movement of tax payable as follows:</u>			
Balance at beginning of the year	(642,585)	(642,585)	(1,031,950)
Payment made during the year	(650,430)	502,360	647,945
<i>Transfer to statements of comprehensive income:</i>			
- Current financial year	502,360	(650,430)	(258,580)
Balance at end of the year	<u>(790,655)</u>	<u>(790,655)</u>	<u>(642,585)</u>

13. Tax Payable (Cont'd)

The Company's Global Trader Programme ("GTP") tax incentive expired on 31 March 2024. Subsequent discussions were held with Enterprise Singapore regarding the renewal of the incentive.

With the introduction of Singapore's 15% minimum effective tax rate for multinational enterprises ("MNEs"), effective from 1 January 2025, management elected to apply the 15% tax rate under the new tax framework.

On 4 December 2025, the Company obtained the letter of Approval in principle from Enterprise Singapore on the Company's GTP incentive 15% renewal has been locked in for the incentive period from 1 April 2024 to 31 March 2029, subject to the terms and conditions of the GTP Letter of Award.

Based on the receipt of the GTP Letter of Award and management's assessment that it is granted that the Company will comply with relevant terms and conditions of the incentive under the Incentive-Scheme, 15% tax rate apply.

14. Revenue

	GROUP
	2026
	US\$
<i>At the point-in-time:</i>	
Revenue from sale of rubber products	<u>393,102,666</u>

15. Other Income

	GROUP
	2026
	US\$
Interest income	417,353
Miscellaneous income	1,927
Foreign exchange gain	<u>396,781</u>
	<u>816,061</u>

16. Employee Benefits Expenses

	<u>GROUP</u>
	<u>2026</u>
	US\$
<i>Staffs:</i>	
- Salaries and bonuses	417,726
- CPF, SDL and other contributions	26,009
	<u>443,735</u>

17. Other Expenses

	<u>GROUP</u>
	<u>2026</u>
	US\$
<i><u>This is determined after charging the following:</u></i>	
Director's fee	17,030
Rental	76,979
Miscellaneous expenses	180,796
	<u>274,805</u>

18. Finance Costs

	<u>GROUP</u>
	<u>2026</u>
	US\$
Bank charges	211,913
Loan interest	7,778,369
	<u>7,990,282</u>

19. Income Tax

	<u>GROUP</u>
	2026
	US\$
<i>Income tax expense attributable to profit is made up of:</i>	
- Current year tax	<u>502,360</u>

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before tax due to the following factors:

	<u>GROUP</u>
	2026
	US\$
Profit before tax	<u>3,351,226</u>
Tax on profit before tax at 17%	569,708
<i>Adjustments:</i>	
Non-deductible expenses	2,494
Non-taxable income	(306)
Change in temporary differences	218
Concessionary rate	(58,940)
Exempt and rebate amount	(13,539)
Other	<u>2,725</u>
	<u>502,360</u>

20. (a) Related Party Transactions

During the financial year, the Group and the Company had significant transactions with related parties which were carried out on terms agreed between the parties concerned not disclosed elsewhere in the financial statements as follows:

	<u>GROUP</u>	<u>COMPANY</u>	
	2026	2026	2025
	US\$	US\$	US\$
Sales to holding company	393,102,666	393,102,666	384,261,153
Advances given to subsidiary	-	1,089,926	-
Repayment from subsidiary	<u>-</u>	<u>883,680</u>	<u>-</u>

20. (b) Key Management Compensation

Key management's remuneration includes salary and other emoluments computed based on the cost incurred by the Group and the Company and where the Group and the Company did not incur any costs, the value of the benefit is included. The key management's remuneration included in staff cost is as follows:

	<u>GROUP</u>	<u>COMPANY</u>	
	2026	2026	2025
	US\$	US\$	US\$
<i>Directors' remuneration:</i>			
- Director fee	17,030	17,030	16,328

The above staff cost includes key management personnel. The key management personnel is holding managerial position and above.

21. Financial Risk Management

The Group's and the Company's activities expose it to credit risk, liquidity risk and capital risk and market risk (including price risk, interest rate risk and foreign currency risk). The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of the financial markets on the Group's and the Company's financial performance. The Group and the Company do not use derivative financial instruments to hedge any risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the 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 Group and the Company. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

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

21. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

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

To minimise credit risk, the Group and the Company have developed and maintained the Group's and the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's and the Company's own trading records to rate its major customers and other debtors. The Group and the Company consider available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group and the Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group and the Company categorise a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

21. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

The Group's and the Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognition of expected credit losses (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk by credit rating categories:

GROUP						
31 March 2026	Note	Category	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US\$	US\$	US\$
Trade receivables	4	*	Lifetime ECL (Simplified)	161,560,045	-	161,560,045
Other assets	5	**	12-month ECL	23,813	-	23,813
Cash and cash equivalents	7(a)	1	12-month ECL	13,386,659	-	13,386,659
				174,970,517	-	174,970,517

21. Financial Risk Management (Cont'd)

(a) *Credit Risk (Cont'd)*

The table below details the credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk by credit rating categories (Cont'd):

COMPANY						
31 March 2026	Note	Category	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US\$	US\$	US\$
Trade receivables	4	*	Lifetime ECL (Simplified)	161,560,045	-	161,560,045
Other assets	5	**	12-month ECL	230,058	-	230,058
Cash and cash equivalents	7(a)	I	12-month ECL	13,182,500	-	13,182,500
				<u>174,972,603</u>	<u>-</u>	<u>174,972,603</u>
31 March 2025	Note	Category	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US\$	US\$	US\$
Trade receivables	4	*	Lifetime ECL (Simplified)	152,301,199	-	152,301,199
Other assets	5	**	12-month ECL	13,169	-	13,169
Cash and cash equivalents	7(a)	I	12-month ECL	11,622,569	-	11,622,569
				<u>163,936,937</u>	<u>-</u>	<u>163,936,937</u>

*Trade receivables

For trade receivables, the Group and the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Company determine the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	GROUP	COMPANY	
	2026 US\$	2026 US\$	2025 US\$
<u>Current</u>			
Trade receivables	161,560,045	161,560,045	152,301,199
Loss allowances	<u>-</u>	<u>-</u>	<u>-</u>

21. Financial Risk Management (Cont'd)

(a) Credit Risk (Cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's and Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Group and the Company have no significant concentration of credit risk of other than those balances with holding company comprising 100% (2025: 100%) of trade receivables. The Group and the Company have credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables (Include advance given to subsidiary)

The Group and the Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Cash and cash equivalents

Information on these financial assets as stated in Note 7(a) to the financial statements. These financial assets are held with bank and financial institution counterparties, which are rated AA- to AA+, based on independent rating agencies.

Impairment on these financial assets has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that these financial assets have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on these financial assets were negligible.

(b) Liquidity Risk

Liquidity risk is the risk that Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility.

The Group and the Company monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group and the Company ensure that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Such liquidity risks are minimised by the amount of cash and cash equivalents as stated in Note 7(a) to the financial statements.

21. Financial Risk Management (Cont'd)

(c) Capital Risk

The Group's and the Company's objectives when managing capital are:

- (a) to safeguard the Group's and the Company's ability to continue as a going concern;
- (b) to support the Group's and the Company's stability and growth;
- (c) to provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- (d) to provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' return, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total equity.

	GROUP	COMPANY	
	2026	2026	2025
	US\$	US\$	US\$
Trade payables	4,213,825	4,213,825	4,451,385
Amount owing to bankers	158,417,223	158,417,223	152,485,025
	<u>162,631,048</u>	<u>162,631,048</u>	<u>156,936,410</u>
Cash and cash equivalents [7(a)]	(13,386,659)	(13,182,500)	(11,622,569)
	<u>149,244,389</u>	<u>149,448,548</u>	<u>145,313,841</u>
Total equity	<u>18,229,454</u>	<u>18,238,275</u>	<u>15,385,353</u>
Gearing	<u>8.19</u>	<u>8.19</u>	<u>9.44</u>

(d) Market Risk

(i) Price Risk

The Group and the Company has no exposure to equity price risk as it does not hold equity financial assets that are exposed to price risk.

21. Financial Risk Management (Cont'd)

(d) *Market Risk (Cont'd)*

(ii) *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group and the Company's financial conditions and / or results. The primary source of the Group and the Company's interest risk is its borrowing from banks in Singapore. The Group and the Company incurs net financing costs during the year

The Group and the Company ensures that it obtains borrowings at competitive interest rates.

The following table sets out the carrying amount of the Group and the Company's financial instruments, that are exposed to interest rate risk:

	<u>GROUP</u>	<u>COMPANY</u>	
	2026	2026	2025
	US\$	US\$	US\$
<i><u>Floating rate</u></i>			
Amount owing to bankers	<u>158,417,223</u>	<u>158,417,223</u>	<u>152,485,025</u>

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests in financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group and the Company that are not included in the above table are not subject to interest rate risks.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 1% higher / lower and all other variables were held constant, the Group and the Company's profit for the year ended 31 March 2026 would decrease / increase by an average of US\$1,584,172 (2025: US\$1,524,850). This is attributable to the Group and the Company's exposure to interest rates on its variable rates on the average outstanding amounts owing to bankers over 12 months.

(iii) *Foreign Currency Risk*

The Group's and the Company have no significant exposure to foreign currency risk as its transactions are mainly denominated in their respective functional currency.

22. Fair Value of Assets and Liabilities

(a) Fair value hierarchy

The Group and the Company categorise fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Cash and cash equivalents, other receivables and accruals

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

(c) Trade receivables and trade payables

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

(d) Amount owing to bankers

The carrying amounts of amount owing to bankers approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

22. Fair Value of Assets and Liabilities (Cont'd)

(d) *Derivatives*

The following table shows an analysis of instruments carried at fair value by level of fair value hierarchy are as follow:

		GROUP			
		Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical (Level 1)	Significant observable inputs other than quoted (Level 2)	Unobservable inputs (Level 3)	Total
		US\$	US\$	US\$	US\$
2026					
<i>Derivative asset</i>					
Forward currency contracts	-	1,111,068	-	1,111,068	
2025					
<i>Derivative asset</i>					
Forward currency contracts	-	56,128	-	56,128	

23. Critical Accounting Estimates, Assumptions and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Expected credit losses (ECL) on receivables*

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group and the Company have used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL of receivables, the Group and the Company have used one year of historical losses data to determine the loss rate and applied an adjustment against the historical loss rate based on the change in Gross Domestic Product (GDP) and unemployment rate to reflect the current and forward-looking information.

As at reporting date, the Group and the Company does not foresee any ECLs outstanding receivables.

(b) *Impairment of investments*

Management reviews its financial assets for objective evidence of impairment at least quarterly. Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are considered objective evidence that a financial asset is impaired.

In determining this, management evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

As at the date of statements of financial position, the Company carried out a review on the recoverable amount of its investment in subsidiary and no impairment in value is necessary. The recoverable amount of the relevant investment in subsidiary have been determined on the basis of its net assets values at the date statement of financial position as in the opinion of the directors of the Company, the net assets values of the subsidiary reasonably approximate the fair value less costs to sell.

23. Critical Accounting Estimates, Assumptions and Judgments (Cont'd)

(e) *Uncertain tax positions*

Significant judgment is involved in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group and the Company's income tax liabilities and tax recoverable at 31 March 2026 was stated in note 13 to the financial statements.

24. Financial Instruments by Category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities measured at amortised cost were as follows:

	<u>GROUP</u>	<u>COMPANY</u>	
	2026	2026	2025
	US\$	US\$	US\$
Financial assets at fair value through profit or loss (FVPL)	1,111,068	1,111,068	56,128
Financial assets, at amortised costs	174,970,517	174,972,603	163,936,937
Financial liabilities, at amortised costs	<u>162,631,048</u>	<u>162,631,048</u>	<u>156,936,410</u>

25. General

The Company is incorporated in the Republic of Singapore with its registered office and principal place of business situated at 11 Collyer Quay, #10-15 The Arcade, Singapore 049317.

The principal activities of the Company are sourcing and supplying of materials.

The principal activities of the subsidiary are described in Note 2 to the financial statements.

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

26. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MRF SG PTE. LTD. on **04 MAY 2026**