

Company No. LL 08316

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

FINANCIAL STATEMENTS

31 MARCH 2022

Registered office:

Lot A020, Level 1
Podium Level
Financial Park
Jalan Merdeka
87000 F.T. Labuan
Malaysia

Principal place of business:

Lot A020, Level 1
Podium Level
Financial Park
Jalan Merdeka
87000 F.T. Labuan
Malaysia

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INDEX

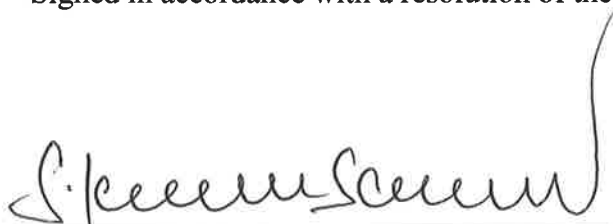
	Page No.
STATEMENT BY DIRECTORS	1
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	2 – 3
BALANCE SHEET	4
INCOME STATEMENT	5
STATEMENT OF CHANGES IN EQUITY	6
CASH FLOW STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	8 – 13

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

STATEMENT BY DIRECTORS

I, SONAI KEDHA SANKAR, being a director of FINEOTEX MALAYSIA LIMITED., do hereby state that, in the opinion of the directors, the financial statements set out on pages 4 to 13 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the results of its operations and the cash flows of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors:



SONAI KEDHA SANKAR

Dated: 20 April 2022

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FINEOTEX MALAYSIA LIMITED**

(Company No.: LL 08316)

(Incorporated in the Federal Territory of Labuan, Malaysia)

Report on the Financial Statements

We have audited the financial statements of FINEOTEX MALAYSIA LIMITED, which comprise the balance sheet as at 31 March 2022 of the Company, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 13.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with applicable approved accounting standards in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FINEOTEX MALAYSIA LIMITED (CONT'D)**

(Company No.: LL 08316)

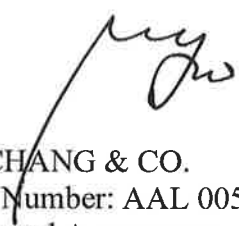
(Incorporated in the Federal Territory of Labuan, Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2022 and of its financial performance and cash flows for the year then ended in accordance with applicable approved accounting standards in Malaysia.

Other Matters

This report is made solely to the members of the Company and for no other purpose. We do not assume responsibility to any other person for the content of this report.



S F CHANG & CO.
Firm Number: AAL 0053
Chartered Accountants



CHANG SIEW FOONG
Approved Number: 02199/11/2023 J
Chartered Accountant

KUALA LUMPUR
Dated: 20 April 2022

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 USD	2021 USD
Non-Current Asset			
Investment in subsidiary companies	3	<u>2,053,328</u>	<u>2,053,328</u>
Current Assets			
Trade receivables		1,215,520	1,156,793
Other receivables		-	9,141
Amount owing by holding company	4	1,009,360	-
Amount owing by subsidiary companies	5	346,050	3,050
Cash and bank balances		<u>242,486</u>	<u>1,444,397</u>
		<u>2,813,416</u>	<u>2,613,381</u>
Current Liabilities			
Trade payables		341,697	412,219
Other payables	6	21,197	14,613
Tax payable		-	3,264
		<u>362,894</u>	<u>430,096</u>
Net current assets		<u>2,450,522</u>	<u>2,183,285</u>
		<u>4,503,850</u>	<u>4,236,613</u>
Financed by:			
Share capital	7	1,890,218	1,890,218
Retained profits		<u>2,613,632</u>	<u>2,346,395</u>
		<u>4,503,850</u>	<u>4,236,613</u>

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 USD	2021 USD
Revenue	8	49,920	-
Other offshore income	9	25,000	199,942
Administrative expenses		(334,191)	(91,150)
(Loss)/Profit before tax	10	<u>(259,271)</u>	<u>108,792</u>
Tax expense	11	(34,913)	(12,078)
Net (loss)/profit from offshore activities for the financial year		<u>(294,184)</u>	<u>96,714</u>
Income from domestic activities			
Domestic income	9	564,120	469,593
Administrative expenses		(2,699)	-
Profit before tax	10	<u>561,421</u>	<u>469,593</u>
Tax income	11	-	2,955
Net profit from domestic activities for the financial year		<u>561,421</u>	<u>472,548</u>
Total net profit for the financial year		<u>267,237</u>	<u>569,262</u>

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Share Capital USD	Retained Profits USD	Total USD
Balance at 01 April 2020	1,890,218	1,777,133	3,667,351
Net profit for the financial year	-	569,262	569,262
Balance at 31 March 2021	<u>1,890,218</u>	<u>2,346,395</u>	<u>4,236,613</u>
Balance at 01 April 2021	1,890,218	2,346,395	4,236,613
Net profit for the financial year	-	267,237	267,237
Balance at 31 March 2022	<u>1,890,218</u>	<u>2,613,632</u>	<u>4,503,850</u>

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022	2021
	USD	USD
Cash Flows From Operating Activities		
Profit before tax		
- (Expense)/Income from offshore activities	(259,271)	108,792
- Income from domestic activities	561,421	469,593
	<u>302,150</u>	<u>578,385</u>
Adjustment for: -		
Bad debts written off	9,141	-
Operating profit before working capital changes	<u>311,291</u>	<u>578,385</u>
Decrease/(Increase) in working capital		
Trade receivables	(58,727)	(202,666)
Amount owing by subsidiary companies	(343,000)	280,153
Amount owing by holding company	(1,009,360)	-
Trade payables	(70,522)	53,252
Other payables	6,584	(16,337)
	<u>(1,475,025)</u>	<u>114,402</u>
Cash (used in)/generated from operations	(1,163,734)	692,787
Tax paid	(38,177)	(8,814)
Net cash (used in)/from operating activities	<u>(1,201,911)</u>	<u>683,973</u>
Cash Flows From Investing Activity		
Addition of investment in subsidiary companies	-	(10,000)
Net cash used in investing activity	<u>-</u>	<u>(10,000)</u>
Net (decrease)/increase in cash and cash equivalents	(1,201,911)	673,973
Cash and cash equivalents at beginning of the financial year	1,444,397	770,424
Cash and cash equivalents at end of the financial year	<u>242,486</u>	<u>1,444,397</u>
Cash and cash equivalents at end of the financial year comprises:		
Cash and bank balances	<u>242,486</u>	<u>1,444,397</u>

FINEOTEX MALAYSIA LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)
NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The principal activity of the Company is engaged in commission agent for procurement of goods and investment holding activities.

The Company is a private limited liability company, incorporated and domiciled in the Federal Territory of Labuan, Malaysia.

The holding company is Fineotex Chemical Limited, a company is incorporated in India.

The registered office and principal place of business of the Company are located at Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000 F.T. Labuan Malaysia.

At the end of the financial year, the total number of employees of the Company excluding director was 1.

The Company was incorporated in Federal Territory of Labuan, Malaysia and is not required to produce annual audited financial statements. Hence, the financial statements were prepared for the purpose of preparation of consolidated financial statements of the holding company.

The financial statements are presented in United States dollar ("USD"), which is also the functional currency of the Company.

2. Significant Accounting Policies

(a) Basis of accounting

The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with applicable approved accounting standards in Malaysia.

(b) Investment in subsidiary companies

A subsidiary company is an enterprise in which the Company has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on an individual basis.

Gains or losses arising from the disposal of an investment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the investment, and is recognised in the income statement.

2. Significant Accounting Policies (Cont'd)**(c) Trade and other receivables**

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful receivables is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Share capital

Ordinary shares with discretionary dividends are classified as equity. Dividends on ordinary shares are recognised in equity in the year in which they are declared.

(g) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into USD at the rates of exchange ruling at that date and exchange differences are taken to the income statement. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

The closing exchange rates used for each unit of the main foreign currencies in the Company are:-

	2022	2021
	USD	USD
1 Ringgit Malaysia	<u>0.2379</u>	<u>0.2408</u>

2. Significant Accounting Policies (Cont'd)**(h) Revenue**

Revenue is recognised upon delivery of products and customer acceptance, net of discounts.

(i) Income tax

Taxation for the year comprises current tax.

Current tax is the expected amount of income taxes payable in respect of taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

3. Investment in Subsidiary Companies

	2022	2021
	USD	USD
Unquoted shares, at cost		
In Malaysia	<u>2,053,328</u>	<u>2,053,328</u>

Details of the subsidiary companies are as follows:

Name of Company	Country of incorporation	Effective equity interest		Principal activities
		2022	2021	
BT Biotex Sdn. Bhd.	Malaysia	72.38%	72.38%	Trading & Exporting
BT Chemicals Sdn. Bhd.	Malaysia	71.92%	71.92%	Trading & Exporting
Rovatex Sdn. Bhd.	Malaysia	74.76%	74.76%	Manufacturing
BT Biotex Limited	United Arab Emirates	100.00%	100.00%	Trading & Exporting

No consolidation is required as the Company is wholly owned by another company.

4. Amount Owing by Holding Company

	2022	2021
	USD	USD
Trade	609,360	-
Advances	400,000	-
	<u>1,009,360</u>	<u>-</u>

The amount owing by holding company represents the unsecured interest free advances and repayable on demand.

5. Amount Owing by Subsidiary Companies

	2022	2021
	USD	USD
Advances	<u>346,050</u>	<u>3,050</u>

The amount owing by subsidiary companies represents the unsecured interest free advances and repayable on demand.

6. Other Payables

	2022	2021
	USD	USD
Other payables	10,696	4,215
Accruals	10,501	10,398
	<u>21,197</u>	<u>14,613</u>

7. Share Capital

	2022		2021	
	Number	USD	Number	USD
	of shares		of shares	
Ordinary shares -				
Issued and fully paid	<u>1,890,218</u>	<u>1,890,218</u>	<u>1,890,218</u>	<u>1,890,218</u>

8. Revenue

This represents the commission income for procurement of goods less discounts.

9. **Other Income**

	2022	2021
	USD	USD
Income from offshore activities		
Agency fees	25,000	150,000
Consultancy charges	-	8,069
Gain on foreign exchange - Realised	-	23,457
Interest income	-	17,148
Wages subsidy from government	-	1,268
	<u>25,000</u>	<u>199,942</u>
Income from domestic activities		
Dividend income from subsidiary Company	564,120	467,600
Gain on foreign exchange - Realised	-	1,993
	<u>564,120</u>	<u>469,593</u>

10. **(Loss)/Profit before Tax**

(Loss)/Profit before tax is derived after charging/(crediting):

	2022	2021
	USD	USD
Auditors' remuneration		
- Current year	1,071	963
- Under provision in prior year	129	-
Directors' remuneration	8,512	8,481
Loss/(Gain) on foreign exchange - Realised		
- Offshore activities	19,111	(23,457)
- Domestic activities	2,699	(1,993)
Dividend income from subsidiary company	(564,120)	(467,600)
Interest income	-	(17,148)
Wages subsidy from government	-	(1,268)
	<u>-</u>	<u>(1,268)</u>

11. **Tax Expense/(Income)**

Component of tax expense/(income):

	2022	2021
	USD	USD
Tax expense from offshore activities		
Current tax expense	-	3,264
Under provision in prior years	34,913	8,814
	<u>34,913</u>	<u>12,078</u>
Tax income from domestic activities		
Over provision in prior year	-	(2,955)
	<u>-</u>	<u>(2,955)</u>

12. Related Party Transactions

	2022	2021
	USD	USD
Advances to holding company:		
- Advances given	<u>(1,009,360)</u>	<u>-</u>
Advances to subsidiary companies:		
- (Advances given)/Refunds received	<u>(343,000)</u>	<u>280,153</u>

13. Date of Authorisation for Issue

The financial statements of the Company for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 20 April 2022.