

GALAXY HOLDINGS (MAURITIUS) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

GALAXY HOLDINGS (MAURITIUS) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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GALAXY HOLDINGS (MAURITIUS) LTD
DIRECTORS' REPORT
TO THE SHAREHOLDERS

1. The directors have pleasure in submitting their report to the shareholders together with the audited financial statements for the year ended 31 March 2020.
2. State of affairs and review of activities

The main object of the Company is to act as a holding company for downstream investment in operating companies engaged in manufacturing / extending logistic and marketing support to surfactant and chemicals used in home and personal care industries.

The statement of profit or loss and other comprehensive income for the year is set out on page 7.

3. The directors of the Company at 31 March 2020, all of whom served on the Board throughout the year and up to the date of this report are listed below:

Mr. Amal AUTAR (resigned on 6 December 2019)
Mrs. Reena DOOLUB
Mr. Ganesh KAMATH
Mr. Peter In Kwong SIAW CHOCK CHIONG (appointed on 6 December 2019)

4. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

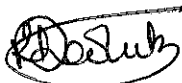
The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. Auditor

Mr. Gaetan Wong To Wing, FCA, has indicated his willingness to continue in office and a resolution concerning his re-appointment will be proposed at the annual meeting.

By Order of the Board

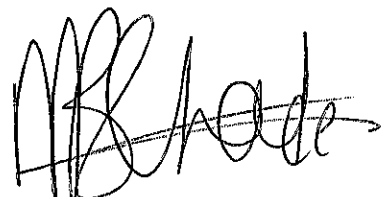


DIRECTOR

Date: 22 JUN 2020

GALAXY HOLDINGS (MAURITIUS) LTD
SECRETARY'S CERTIFICATE
TO THE SHAREHOLDERS

We certify that we have filed with the Registrar all such returns for the year ended 31 March 2020 as are required of the Company under the Companies Act 2001.

A handwritten signature in black ink, appearing to read 'M. B. A. de', is written over a horizontal line.

For Mauritius International Trust Company Limited
Secretary

Date: 22 JUN 2020

GALAXY HOLDINGS (MAURITIUS) LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GALAXY HOLDINGS (MAURITIUS) LTD

This report is made solely to the member of GALAXY HOLDINGS (MAURITIUS) LTD, as a body, in accordance with Section 205 of the Companies Act 2001. My audit work has been undertaken so that I might state to the Company's member those matters I am required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for my audit work, for this report, or for the opinions I have formed.

Report on the Financial Statements

Opinion

I have audited the financial statements of GALAXY HOLDINGS (MAURITIUS) LTD on pages 6 to 17, which comprise the statement of financial position at 31 March 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements on pages 6 to 17 give a true and fair view of the financial position of the Company at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Companies Act 2001.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the directors' report and secretary's certificate, but does not include the financial statements and my auditor's report thereon.

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

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

GALAXY HOLDINGS (MAURITIUS) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF GALAXY HOLDINGS (MAURITIUS) LTD

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

GALAXY HOLDINGS (MAURITIUS) LTD

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**INDEPENDENT AUDITOR'S REPORT (CONT'D)
GALAXY HOLDINGS (MAURITIUS) LTD**

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

I have no relationship with, or any interest in, the Company other than in my capacity as auditor and dealings in the ordinary course of business.

I have obtained all information and explanations I have required.

In my opinion, proper accounting records have been kept by the Company as far as it appears from my


**Mr Gaëtan WONG TO WING, FCA
CHARTERED ACCOUNTANT
Licensed by FRC**

Date: 22 JUN 2020

Port Louis,
Republic of Mauritius.

GALAXY HOLDINGS (MAURITIUS) LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	31 March 2020 USD	31 March 2019 USD
Assets			
Non-current assets			
Investments	4	32,803,007	32,803,007
Loan receivables	5	2,296,566	6,549,326
Loan interest receivables	6	<u>1,626,806</u>	<u>1,510,593</u>
Total non-current assets		<u>36,726,379</u>	<u>40,862,926</u>
Current assets			
Sundry debtors		47,482	26,401
Loan interest receivables	6	51,514	957,560
Cash at bank		<u>8,432</u>	<u>19,428</u>
Total current assets		<u>107,428</u>	<u>1,003,389</u>
Total assets		<u>36,833,807</u>	<u>41,866,315</u>
Financed by:			
Equity and liabilities			
Equity			
Stated capital	7	34,550,000	39,900,000
Retained earnings		<u>2,280,843</u>	<u>1,951,359</u>
Total equity		<u>36,830,843</u>	<u>41,851,359</u>
Current liabilities			
Other payables	8	1,191	5,886
Income tax liability	9	<u>1,773</u>	<u>9,070</u>
Total current liabilities		<u>2,964</u>	<u>14,956</u>
Total equity and liabilities		<u>36,833,807</u>	<u>41,866,315</u>

These financial statements have been approved by the Board of Directors on: **22 JUN 2020**



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)
) DIRECTORS
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The notes on pages 10 to 17 form part of these financial statements.
 Auditor's report on pages 3 to 5.

GALAXY HOLDINGS (MAURITIUS) LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Year ended 31 March 2020 USD	Year ended 31 March 2019 USD
Income		430,660	496,066
Expenses		<u>(88,684)</u>	<u>(327,062)</u>
Profit before tax		341,976	169,004
Tax	9	<u>(12,492)</u>	<u>(14,290)</u>
Profit after tax		329,484	154,714
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>329,484</u>	<u>154,714</u>
Profit per share	10	<u>0.66</u>	<u>0.31</u>

The notes on pages 10 to 17 form part of these financial statements.
Auditor's report on pages 3 to 5.

GALAXY HOLDINGS (MAURITIUS) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Ordinary share capital USD	Preference share capital USD	Retained earnings USD	Total USD
Balance at 01 April 2018	500,000	39,400,000	1,796,645	41,696,645
Total comprehensive income for the year	-	-	154,714	154,714
Balance at 31 March 2019	<u>500,000</u>	<u>39,400,000</u>	<u>1,951,359</u>	<u>41,851,359</u>
Balance at 01 April 2019	500,000	39,400,000	1,951,359	41,851,359
Redeemed preference shares	-	(5,350,000)	-	(5,350,000)
Total comprehensive income for the year	-	-	329,484	329,484
Balance at 31 March 2020	<u>500,000</u>	<u>34,050,000</u>	<u>2,280,843</u>	<u>36,830,843</u>

The notes on pages 10 to 17 form part of these financial statements.
Auditor's report on pages 3 to 5.

GALAXY HOLDINGS (MAURITIUS) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020	31 March 2019
	USD	USD
Cash flows from operating activities		
Profit for the year before tax	341,976	169,004
Adjustment:		
Unrealised exchange loss	73,251	306,504
Tax paid	<u>(19,789)</u>	<u>(13,429)</u>
Operating profit before working capital changes	395,438	462,079
Increase in sundry debtors	(21,081)	(25,846)
(Decrease)/increase in other payables	<u>(4,695)</u>	<u>1,745</u>
Net cash generated from operating activities	<u>369,662</u>	<u>437,978</u>
Cash flows from financing activities		
Maturity of redeemable preference shares	(5,350,000)	-
Proceeds from loan and interest	5,400,002	-
Loan interest receivables	<u>(430,660)</u>	<u>(421,066)</u>
Net cash used in financing activities	<u>(380,658)</u>	<u>(421,066)</u>
Net movement in cash and cash equivalents	(10,996)	16,912
Cash and cash equivalents at beginning of the year	<u>19,428</u>	<u>2,516</u>
Cash and cash equivalents at end of the year	<u>8,432</u>	<u>19,428</u>
Cash and cash equivalents consist of:		
Cash at bank	<u>8,432</u>	<u>19,428</u>

The notes on pages 10 to 17 form part of these financial statements.
Auditor's report on pages 3 to 5.

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. INCORPORATION

GALAXY HOLDINGS (MAURITIUS) LTD is a Category 1 Global Business Licence Company incorporated on 02 October 2008 in Mauritius and is governed by the Financial Services Act 2007.

2. NATURE OF ACTIVITIES

The main object of the Company is to act as a holding company for downstream investment in operating companies engaged in manufacturing / extending logistic and marketing support to surfactant and chemicals used in home and personal care industries.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The separate financial statements of the Company comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Category 1 Global Business Licence. The financial statements have been prepared under the historical cost convention and on a going concern basis.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The new accounting policies have no impact on the financial statements of the Company.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2015–2017 Cycle

- IFRS 3 – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 – clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation

Standards, Amendments to published Standards and Interpretations effective in the reporting period (i

Annual Improvements to IFRSs 2015–2017 Cycle (Cont'd)

- IAS 12 – clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2020 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Definition of a Business (Amendments to IFRS 3)

Definition of Material (Amendments to IAS 1 and IAS 8)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year.

(b) Income and expenditure

Income and expenditure are accounted for on an accrual basis.

(c) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in United States Dollars (USD), which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into USD at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of transaction. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

(d) Investments

(i) *Investment in subsidiary*

A subsidiary is an entity in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

The Company, in accordance with IAS 27, has elected to report investments in subsidiaries at cost less impairment. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(ii) *Short term investments*

Short term investments have been valued at cost and are converted into USD at the rate of exchange ruling at the date of purchase. The carrying value is maintained unless the directors are of the opinion that there has been an impairment in the value of these investments.

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Trade and other receivables

Other receivables are stated at cost less any impairment losses.

(f) Trade and other payables

Other payables are stated at cost.

(g) Borrowings

Borrowings are recognised at cost since they do not have any fixed terms of repayment.

(h) Financial instruments

Financial instruments carried on the statement of financial position include borrowings and other payables. The particular recognition methods are disclosed in the individual policy statements associated with each

Disclosures about financial instruments to which the Company is a party are provided in note 12.

(i) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice-versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(j) Provisions

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

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. INVESTMENTS	31 March 2020	31 March 2019
	USD	USD
<u>Unquoted and at cost</u>		
Balance at start	32,803,007	32,803,007
Addition during the year	<u>-</u>	<u>-</u>
Balance at end	<u>32,803,007</u>	<u>32,803,007</u>

Details of the companies are as follows:

Name	Country of incorporation	Class of shares	Percentage holding	
			31 March 2020	31 March 2019
Galaxy Chemical (Egypt) S.A.E	Egypt	Equity	100%	100%
Rainbow Holdings GMBH	Germany	Equity	100%	100%
Tri-K Industries Inc	USA	Equity	24%	24%

The Company has taken advantage of the exemption provided by the Mauritian Companies Act 2001 allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are therefore separate financial statements which contain information about Galaxy Holdings (Mauritius) Ltd as an individual company and not contain consolidated financial information as the parent of a group.

5. LOAN RECEIVABLES	31 March 2020	31 March 2019
	USD	USD
Rainbow Holdings GMBH	1,513,308	1,549,326
Shown as current loan receivables	<u>-</u>	<u>-</u>
Shown as non-current loan receivables	<u>1,513,308</u>	<u>1,549,326</u>

The loan carries simple interest at the rate of 10% per annum.

Galaxy Chemical (Egypt) S.A.E	<u>783,258</u>	<u>5,000,000</u>
	<u>2,296,566</u>	<u>6,549,326</u>

The loan carries simple interest rate of 5.8% per annum.

6. LOAN INTEREST RECEIVABLES	31 March 2020	31 March 2019
	USD	USD
Interest receivables	1,678,320	2,468,153
Shown as current loan interest receivables	<u>(51,514)</u>	<u>(957,560)</u>
Shown as non-current loan interest receivables	<u>1,626,806</u>	<u>1,510,593</u>

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. STATED CAPITAL	31 March 2020	31 March 2019
	USD	USD
Stated		
<u>Issued and fully paid</u>		
500,000 ordinary shares of USD 1 each	<u>500,000</u>	<u>500,000</u>
34,050,000/39,400,000 non cumulative redeemable preference shares of USD 1 each	<u>34,050,000</u>	<u>39,400,000</u>
Closing balance	<u>34,550,000</u>	<u>39,900,000</u>
8. OTHER PAYABLES	31 March 2020	31 March 2019
	USD	USD
Accruals	<u>1,191</u>	<u>5,886</u>

9. TAX

The Company has been established as a Category 1 Global Business Licence Company under the Financial Services Act 2007 and is taxable at the rate of 15 % for the year ended 31 March 2020. However, it is entitled to a tax credit equivalent to the higher of the actual tax suffered on its foreign source of income or 80% of the Mauritian tax. At 31 March 2020 the Company had an adjusted taxable profit of USD 416,415, paid an amount of tax of USD 10,719 under the Advance Payment System and had a net tax payable balance of USD 1,773.

10. PROFIT PER SHARE

The profit per share is based on the profit after tax for the year of USD 329,484 (2019: USD 154,714) and on 500,000 ordinary shares in issue for both years.

11. RELATED PARTY TRANSACTIONS

During the year under review, the Company entered into the following related party transactions.

	Nature of relationship	31 March 2020	31 March 2019
		USD	USD
<i>During the year:</i>			
Loan interest accrued	Subsidiary	<u>430,660</u>	<u>496,066</u>
<i>Balance:</i>			
Loan to related party (Including accrued interest)	Subsidiary	3,974,886	9,017,479
Investment in subsidiary	Subsidiary	<u>32,803,007</u>	<u>32,803,007</u>

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. FINANCIAL INSTRUMENTS

Fair values

The Company's investment is valued as described in note 3.

The Company's other assets and liabilities include cash at bank, borrowings and other payables. The carrying amount of these assets and liabilities approximate their fair values.

Financial risk factors

The Company's activities expose it to a variety of financial risks that are associated with the financial instruments in which it invests and markets in which it operates. The following is a summary of the main risks:

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the equity's ability to continue as a going concern, so that it can continue to provide returns
- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions only with its related parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Currency risk

The Company has assets denominated in EURO. Consequently, the Company is exposed to the risk that the exchange rate of USD relative to EURO stated above may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in these currencies.

13. CONSOLIDATED FINANCIAL STATEMENTS

The Company has taken advantage of the exemption provided by the Mauritian Companies Act 2001 allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are therefore separate financial statements which contain information about Galaxy Holdings (Mauritius) Ltd as an individual company and not contain consolidated financial information as the parent of a group.

14. HOLDING COMPANY

The Directors consider Galaxy Surfactants Limited, a company incorporated in the India as the Company's immediate and ultimate holding company.

GALAXY HOLDINGS (MAURITIUS) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. EVENTS AFTER THE REPORTING DATE

The outbreak of Coronavirus Disease ("COVID-19 outbreak") in early 2020 has had significant impact on global financial markets. The Board of directors will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Company.

The financial effects of the current crisis on the global economy and overall business activities of the subsidiaries and consequently on our Company cannot be estimated with reasonable certainty at this stage due to the evolving nature of the pandemic. However our Company continues to monitor the situation closely for any material changes to future economic conditions

GALAXY HOLDINGS (MAURITIUS) LTD
DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 USD	31 March 2019 USD
Income		
Interest income	<u>430,660</u>	<u>496,066</u>
Expenses		
Administrative expenses	5,819	10,641
Licence and registration fees	2,250	2,050
Audit and accountancy fees	2,987	4,614
Unrealised exchange loss	74,440	307,342
Bank charges	<u>3,188</u>	<u>2,415</u>
	<u>88,684</u>	<u>327,062</u>
Profit for the year before tax	341,976	169,004
Tax	<u>(12,492)</u>	<u>(14,290)</u>
Profit for the year after tax	329,484	154,714
Balance brought forward	<u>1,951,359</u>	<u>1,796,645</u>
Balance carried forward	<u>2,280,843</u>	<u>1,951,359</u>