

GODREJ INTERNATIONAL TRADING & INVESTMENTS PTE. LTD.
(Company Registration Number: 200923073W)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

The directors present their statement to the members together with the audited financial statements of Godrej International Trading & Investments Pte. Ltd. (the Company) for the financial year ended on 31 March 2024.

1. Opinion of the directors

In the opinion of the directors,

- (a) the 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 2024 and the financial performance, changes in equity and cash flows of the Company for the year then ended; 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.

2. Directors

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

Dorab Erach Mistry
Ahmed Mohamed Salehbhai

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 object 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 kept by the Company under section 164 of the Singapore Companies Act 1967, 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 except as stated below:

| <u>Name of directors</u> | <u>Direct interest</u> | |
|---|---|---|
| | <u>At the beginning of the financial year</u> | <u>At the end of the financial year</u> |
| <u>Ordinary shares of the Holding Company</u> | | |
| Dorab Erach Mistry | 42,124 | 42,124 |

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

5. Share options

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

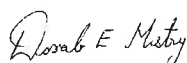
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

6. Auditor

V.P. Kumaran & Co. has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



Dorab Erach Mistry

Director



Ahmed Mohmed Salehbhai

Director

Singapore,

25 APR 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODREJ INTERNATIONAL
TRADING & INVESTMENTS PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Godrej International Trading & Investments Pte. Ltd. (the Company), which comprise the statement of financial position of the Company as at 31 March 2024, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 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 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODREJ INTERNATIONAL
TRADING & INVESTMENTS PTE. LTD.**

Other Information (continued)

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

Responsibilities of Management and Directors for the Financial Statements

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODREJ INTERNATIONAL
TRADING & INVESTMENTS PTE. LTD.**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

V.P.KUMARAN & CO.

CHARTERED ACCOUNTANTS OF SINGAPORE

111 NORTH BRIDGE ROAD
#23-05 PENINSULA PLAZA
SINGAPORE 179098
TEL : +65 63376485 (2 LINES)
FAX : +65 63396517
EMAIL : vpkco@singnet.com.sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODREJ INTERNATIONAL TRADING & INVESTMENTS PTE. LTD.

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.



V.P. KUMARAN & CO.

Public Accountants and
Chartered Accountants

Singapore

25 April 2024

ML/DB/PN

GODREJ INTERNATIONAL TRADING & INVESTMENTS PTE. LTD.
(Co.Reg. No. 200923073W)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

| | Note | 2024 US\$ | 2023 US\$ |
|-------------------------------------|-------------|--------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 81,424 | 39,090 |
| Investment property | 5 | 1,983,638 | 1,793,703 |
| | | <u>2,065,062</u> | <u>1,832,793</u> |
| Current assets | | | |
| Trade and other receivables | 6 | 11,182,760 | 7,750,702 |
| Cash and cash equivalents | 7 | 9,822,748 | 9,778,043 |
| | | <u>21,005,508</u> | <u>17,528,745</u> |
| Total assets | | <u>23,070,570</u> | <u>19,361,538</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 8 | 1,000,000 | 1,000,000 |
| Retained earnings | | 7,727,679 | 6,736,564 |
| Total equity | | <u>8,727,679</u> | <u>7,736,564</u> |
| Non-current liabilities | | | |
| Borrowings | 9 | 36,190 | - |
| | | <u>36,190</u> | <u>-</u> |
| Current liabilities | | | |
| Borrowings | 9 | 41,434 | 36,066 |
| Trade and other payables | 10 | 14,017,556 | 11,352,020 |
| Income tax payable | 16 | 247,711 | 236,888 |
| | | <u>14,306,701</u> | <u>11,624,974</u> |
| Total liabilities | | <u>14,342,891</u> | <u>11,624,974</u> |
| Total equity and liabilities | | <u>23,070,570</u> | <u>19,361,538</u> |

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

GODREJ INTERNATIONAL TRADING & INVESTMENTS PTE. LTD.
 (Co.Reg. No. 200923073W)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

| | <u>Note</u> | <u>2024</u> <u>US\$</u> | <u>2023</u> <u>US\$</u> |
|---|-------------|----------------------------|----------------------------|
| INCOME | | | |
| Revenue | 11 | 47,258,541 | 56,227,621 |
| Other income | 12 | 1,431,502 | 2,555,402 |
| | | <u>48,690,043</u> | <u>58,783,023</u> |
| COSTS AND EXPENSES | | | |
| Purchases | | 46,272,984 | 56,119,933 |
| Depreciation of property, plant and equipment | 4 | 43,437 | 53,996 |
| Finance costs | 13 | 1,569 | 25,206 |
| Staff costs | 14 | 814,670 | 639,827 |
| Other operating expenses | | 275,519 | 294,019 |
| | | <u>47,408,179</u> | <u>57,132,981</u> |
| PROFIT BEFORE TAX | 15 | 1,281,864 | 1,650,042 |
| INCOME TAX EXPENSE | 16 | (290,749) | (284,170) |
| PROFIT AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR | | <u>991,115</u> | <u>1,365,872</u> |

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

GODREJ INTERNATIONAL TRADING & INVESTMENTS PTE. LTD.
(Co.Reg. No. 200923073W)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

| | <u>Share capital</u> US\$ | <u>Retained earnings</u> US\$ | <u>Total equity</u> US\$ |
|---|------------------------------|--------------------------------------|-----------------------------|
| Balance at 1 April 2022 | 1,000,000 | 5,370,692 | 6,370,692 |
| Total comprehensive income for the financial year | - | 1,365,872 | 1,365,872 |
| Balance as at 31 March 2023 and 1 April 2023 | <u>1,000,000</u> | <u>6,736,564</u> | <u>7,736,564</u> |
| Total comprehensive income for the financial year | - | 991,115 | 991,115 |
| Balance as at 31 March 2024 | <u>1,000,000</u> | <u>7,727,679</u> | <u>8,727,679</u> |

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

GODREJ INTERNATIONAL TRADING & INVESTMENTS PTE. LTD.
(Co.Reg. No. 200923073W)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

| | Note | 2024 US\$ | 2023 US\$ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 1,281,864 | 1,650,042 |
| <u>Adjustments for:</u> | | | |
| Depreciation of property, plant and equipment | 4 | 43,437 | 53,996 |
| Fair value gain on investment property | 12 | (189,935) | (89,590) |
| Interest income | 12 | (291,872) | (66,437) |
| Interest expense | 13 | 1,569 | 25,206 |
| Loss/(gain) on foreign exchange - unrealised | | 3,235 | (3,230) |
| Operating profit before working capital changes | | <u>848,298</u> | <u>1,569,987</u> |
| Changes in working capital: | | | |
| Trade and other receivables | | (3,440,123) | 3,443,093 |
| Trade and other payables | | 2,665,536 | (2,522,803) |
| Cash generated from operations | | <u>73,711</u> | <u>2,490,277</u> |
| Interest received | | 299,937 | 57,503 |
| Interest paid | | - | (22,208) |
| Tax paid | 16 | (279,926) | (159,386) |
| Net cash generated from operating activities | | <u>93,722</u> | <u>2,366,186</u> |
| Cash flow from investing activity | | | |
| Acquisition of property, plant and equipment | 4 | (1,414) | (7,413) |
| Net cash used in investing activity | | <u>(1,414)</u> | <u>(7,413)</u> |
| Cash flows from financing activities | | | |
| Repayment of bank borrowings | 9 | - | (857,853) |
| Repayment of principal portion of lease liabilities | 9 | (44,368) | (45,112) |
| Net cash used in financing activities | | <u>(44,368)</u> | <u>(902,965)</u> |
| Net change in cash and cash equivalents | | 47,940 | 1,455,808 |
| Effect of exchange rate changes on cash and cash equivalents | | (3,235) | 3,230 |
| Cash and cash equivalents at beginning of financial year | | 9,778,043 | 8,319,005 |
| Cash and cash equivalents at end of financial year | 7 | <u>9,822,748</u> | <u>9,778,043</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

1. Corporate information

Godrej International Trading & Investments Pte. Ltd. (the Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 160 Robinson Road, #21-01 Singapore Business Federation Centre, Singapore, 068914.

The principal activities of the Company are those relating to general wholesale trade including general importers and exporters.

The immediate and ultimate holding company is Godrej Industries Limited, incorporated in Mumbai, India.

The principal activities of the immediate and ultimate holding company are those relating to manufacture and marketing of chemicals, edible oils, vanaspati and bakery fats and operates in real estates.

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

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

The financial statements of the Company have been prepared on the basis that it will continued to operate as a going concern.

2.2 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 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|--|---|
| Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to FRS 1 <i>Presentation to Financial Statements</i> : non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability | 1 January 2025 |

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency 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 reporting date. 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.

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.

2.5 Property, plant and equipment

All items of property, 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. The cost of property, 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 property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.5 Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

| | <u>Useful lives</u> |
|---------------------|--------------------------------|
| Leasehold buildings | Over the lease term of 2 years |
| Office equipment | 1 years |

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, 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 de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated assets which are still in use are retained in the financial statements.

2.6 Investment property

Investment property is either owned by the Company or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprises completed investment property and property that is being constructed or developed for future use as investment property.

Investment property is initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values of investment property is included in profit or loss in the year in which they arise.

2.7 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, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.7 Impairment of non-financial assets (continued)

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 group 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 are recognised in profit or loss.

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.

2.8 Financial instruments

(a) Financial assets

Initial recognition and measurement

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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.8 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.8 Financial instruments (continued)

(b) Financial liabilities (continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 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 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.9 Impairment of financial assets

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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits which are subject to an insignificant risk of changes in value.

2.11 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 the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Employee benefits

Defined contribution plans

The Company makes 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.13 Leases

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.

(a) 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.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Company's right-of-use assets are presented within property, plant and equipment (Note 4).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.13 Leases (continued)

(a) As lessee (continued)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in borrowings (Note 9).

(b) As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.14 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.15 Revenue

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the transaction price. Revenue is recognised at a point in time. The Company is the principal to the transaction and revenue from these transactions are recorded on a gross basis.

Interest income

Interest income is recognised using the effective interest method.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.16 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.17 Taxes

(a) 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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.

(b) Deferred tax

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

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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.17 Taxes (continued)

(b) Deferred tax (continued)

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.

(c) Goods and Services Tax (GST)

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

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 GST included.

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

2.18 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.

2.19 Related parties

A related party is defined as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.19 Related parties (continued)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

2. Material accounting policy information (continued)

2.20 Contingencies

A contingent liability is:

- (a) 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
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) 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.

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. Significant accounting judgements and estimates (continued)

3.1 Judgements made in applying accounting policies (continued)

(b) Determination of lease terms of contracts with extension options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the significant costs that would arise to replace the assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 3 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(a) Useful lives of property, plant and equipment (continued)

The carrying amount of the Company's property, plant and equipment at the statement of financial position date is disclosed in Note 4 to the financial statements.

(b) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 19(a).

The carrying amount of the Company's trade receivables as at 31 March 2024 was US\$11,161,668 (2023: US\$6,494,313).

(c) Income taxes

The Company has exposure to income taxes. A degree of judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes would be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of income tax payable as at 31 March 2024 was US\$247,711 (2023: US\$236,888).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(d) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. Property, plant and equipment

| | Leasehold buildings | Office equipment | Total |
|-----------------------------------|--------------------------------|-----------------------------|--------------|
| | US\$ | US\$ | US\$ |
| Cost | | | |
| At 1 April 2022 | 120,258 | 33,466 | 153,724 |
| Additions | 78,180 | 7,413 | 85,593 |
| Write off | (120,258) | - | (120,258) |
| At 31 March 2023 and 1 April 2023 | 78,180 | 40,879 | 119,059 |
| Additions | 84,357 | 1,414 | 85,771 |
| Write off | (78,180) | - | (78,180) |
| At 31 March 2024 | 84,357 | 42,293 | 126,650 |
| Accumulated depreciation | | | |
| At 1 April 2022 | 120,258 | 25,973 | 146,231 |
| Depreciation | 39,090 | 14,906 | 53,996 |
| Write off | (120,258) | - | (120,258) |
| At 31 March 2023 and 1 April 2023 | 39,090 | 40,879 | 79,969 |
| Depreciation | 42,023 | 1,414 | 43,437 |
| Write off | (78,180) | - | (78,180) |
| At 31 March 2024 | 2,933 | 42,293 | 45,226 |
| Carrying amount | | | |
| At 31 March 2024 | 81,424 | - | 81,424 |
| At 31 March 2023 | 39,090 | - | 39,090 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

4. Property, plant and equipment (continued)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such assets are disclosed in Note 17.

5. Investment property

| | <u>2024</u> | <u>2023</u> |
|----------------------|------------------|------------------|
| | <u>US\$</u> | <u>US\$</u> |
| <i>At valuation</i> | | |
| At beginning of year | 1,793,703 | 1,704,113 |
| Fair value gain | 189,935 | 89,590 |
| At end of year | <u>1,983,638</u> | <u>1,793,703</u> |

Investment property are held for the primary purpose of producing rental income and not for resale in ordinary course of business.

The leasehold property with carrying values of US\$1,983,638 (2023: US\$1,793,703) have been mortgaged to banks for facilities granted to Company (Note 9).

The following amounts are recognised in the statement of profit or loss and other comprehensive income:

| | <u>2024</u> | <u>2023</u> |
|---|--------------|--------------|
| | <u>US\$</u> | <u>US\$</u> |
| Rental income (Note 12) | 52,576 | 51,137 |
| Direct operating expenses arising from investment property that generates rental income | <u>9,695</u> | <u>8,702</u> |

6. Trade and other receivables

| | <u>2024</u> | <u>2023</u> |
|---------------------------------|-------------------|------------------|
| | <u>US\$</u> | <u>US\$</u> |
| Trade receivables | 11,161,668 | 6,494,313 |
| Amount due from a related party | 10,001 | 27,234 |
| Deposits | 10,222 | 10,222 |
| Interest receivables | 869 | 8,934 |
| Other receivables | - | 1,209,999 |
| | <u>11,182,760</u> | <u>7,750,702</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

6. Trade and other receivables (continued)

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms.

Amount due from a related party

Amount due from a related party are non-trade, unsecured, interest free and are repayable on demand.

Expected credit losses (ECL)

The Company has measured the impairment loss allowance using the Lifetime ECL (simplified) approach in FRS 109 and determined that the ECL is insignificant.

Trade and other receivables are dominated in United States Dollars.

7. Cash and cash equivalents

| | <u>2024</u> US\$ | <u>2023</u> US\$ |
|---------------|----------------------------|----------------------------|
| Cash at banks | 5,497,065 | 5,777,944 |
| Cash on hand | 124 | 99 |
| Fixed deposit | <u>4,325,559</u> | <u>4,000,000</u> |
| | <u>9,822,748</u> | <u>9,778,043</u> |

The average maturity period of the fixed deposit is 10 days (2023: 30 days) with an effective interest rate of 4.86% (2023: 4.73%) per annum.

Cash and cash equivalents are denominated in the following currencies:

| | <u>2024</u> US\$ | <u>2023</u> US\$ |
|----------------------|----------------------------|----------------------------|
| British Pound | 1,077 | 1,077 |
| Singapore Dollar | 85,199 | 106,374 |
| United States Dollar | <u>9,736,472</u> | <u>9,670,592</u> |
| | <u>9,822,748</u> | <u>9,778,043</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

8. Share capital

| | <u>2024</u> | <u>2024</u> | <u>2023</u> | <u>2023</u> |
|--|-----------------|-------------|-----------------|-------------|
| | No of shares | US\$ | No of shares | US\$ |
| Issued and fully paid ordinary shares | | | | |
| At beginning and end of the financial year | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |

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 restrictions. The ordinary shares have no par value.

9. Borrowings

| | <u>2024</u> | <u>2023</u> |
|-----------------------------|---------------|---------------|
| | US\$ | US\$ |
| Current | | |
| Lease liabilities (Note 17) | 41,434 | 36,066 |
| Non-current | | |
| Lease liabilities (Note 17) | 36,190 | - |
| | <u>77,624</u> | <u>36,066</u> |

Borrowings are denominated in Singapore Dollar.

A reconciliation of liabilities arising from financing activities is as follows:

| | <u>1 April</u> | <u>Cash</u> | <u>Non-cash changes</u> | | | <u>31 March</u> |
|--------------------|----------------|-----------------|-------------------------|--------------|--------------------|-----------------|
| | | | <u>2023</u> | <u>flows</u> | <u>Acquisition</u> | |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Liabilities | | | | | | |
| Lease liabilities | | | | | | |
| - current | 36,066 | (44,368) | - | 1,569 | 48,167 | 41,434 |
| - non-current | - | - | 84,357 | - | (48,167) | 36,190 |
| | <u>36,066</u> | <u>(44,368)</u> | <u>84,357</u> | <u>1,569</u> | <u>-</u> | <u>77,624</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

9. Borrowings (continued)

A reconciliation of liabilities arising from financing activities is as follows: (continued)

| | 1 April 2022 US\$ | Cash flows US\$ | Non-cash changes | | | 31 March 2023 US\$ |
|--------------------|-------------------------|-----------------------|---------------------|-----------------------------------|---------------|--------------------------|
| | | | Acquisition US\$ | Accretion of interests US\$ | Other US\$ | |
| Liabilities | | | | | | |
| Lease liabilities | | | | | | |
| - current | - | (45,112) | - | 2,998 | 78,180 | 36,066 |
| - non-current | - | - | 78,180 | - | (78,180) | - |
| Bank borrowings | | | | | | |
| - current | 71,528 | (880,061) | - | 22,208 | 786,325 | - |
| - non-current | 786,325 | - | - | - | (786,325) | - |
| | <u>857,853</u> | <u>(925,173)</u> | <u>78,180</u> | <u>25,206</u> | <u>-</u> | <u>36,066</u> |

The 'other' column relates to reclassification of non-current portion of lease liabilities and bank borrowings due to passage of time of US\$48,167 and Nil (2023: US\$78,180 and US\$786,325) respectively under the current portion.

10. Trade and other payables

| | 2024 US\$ | 2023 US\$ |
|---------------------------------|-------------------|-------------------|
| Trade payables | 6,746 | 149,893 |
| Accruals | 10,471 | 6,119 |
| Amount due to a related company | 13,986,787 | 11,179,184 |
| GST payables | 988 | 566 |
| Other payables | 12,564 | 16,258 |
| | <u>14,017,556</u> | <u>11,352,020</u> |

Trade payables

Trade payables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms.

Amount due to a related company

Amount due to a related company are non-trade in nature, unsecured, interest free and are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

10. Trade and other payables (continued)

Trade and other payables are dominated in the following currencies:

| | <u>2024</u> US\$ | <u>2023</u> US\$ |
|----------------------|---------------------|---------------------|
| Singapore Dollar | 11,459 | 6,685 |
| United States Dollar | 14,006,097 | 11,345,335 |
| | <u>14,017,556</u> | <u>11,352,020</u> |

11. Revenue

Disaggregation of revenue

Timing of transfer of goods or services

| | <u>At a point in time</u> US\$ | <u>Total</u> US\$ |
|----------------------|---------------------------------------|----------------------|
| 31 March 2024 | | |
| Sales of goods | <u>47,258,541</u> | <u>47,258,541</u> |
| 31 March 2023 | | |
| Sales of goods | <u>56,227,621</u> | <u>56,227,621</u> |

12. Other income

| | <u>2024</u> US\$ | <u>2023</u> US\$ |
|--|---------------------|---------------------|
| Foreign exchange gain - realised | 32,225 | 33,042 |
| Foreign exchange gain - unrealised | - | 3,230 |
| Fair value gain on investment property | 189,935 | 89,590 |
| Government grant - Progressive Wage Scheme | 1,133 | 1,133 |
| Government grant - Others | 55 | - |
| Government grant - Senior Employment Credit | 627 | - |
| Government grant - Special Employment Credit | 577 | 960 |
| Government grant - Temporary Employment Credit | 57 | - |
| Income from non-delivery contact | 862,445 | 2,276,871 |
| Interest on fixed deposits | 291,872 | 66,437 |
| Other income | - | 33,002 |
| Rental income | 52,576 | 51,137 |
| | <u>1,431,502</u> | <u>2,555,402</u> |

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

13. Finance costs

| | 2024 | 2023 |
|-------------------------------|--------------|---------------|
| | US\$ | US\$ |
| Interest on bank borrowings | - | 22,208 |
| Interest on lease liabilities | 1,569 | 2,998 |
| | <u>1,569</u> | <u>25,206</u> |

14. Staff costs

| | 2024 | 2023 |
|-----------------------------|----------------|----------------|
| | US\$ | US\$ |
| CPF contribution | 5,364 | 5,926 |
| Director's CPF contribution | 1,423 | 1,311 |
| Directors' fee | 63,359 | 54,156 |
| Directors' remuneration | 378,890 | 332,623 |
| Skill Development Levy | 344 | 761 |
| Staff salary | 365,290 | 245,050 |
| | <u>814,670</u> | <u>639,827</u> |

15. Profit before tax

Profit before tax has been arrived at after charging:

| | 2024 | 2023 |
|--|------------------|----------------|
| | US\$ | US\$ |
| Commission | 143,019 | 205,004 |
| Depreciation of property, plant and equipment (Note 4) | 43,437 | 53,996 |
| Finance costs (Note 13) | 1,569 | 25,206 |
| Staff costs (Note 14) | 814,670 | 639,827 |
| Travelling expenses | 81,563 | 50,072 |
| | <u>1,064,248</u> | <u>974,105</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

16. Income tax expense

The major components of income tax expense recognised in profit or loss for the years ended 31 March 2024 and 2023 were:

| | <u>2024</u> <u>US\$</u> | <u>2023</u> <u>US\$</u> |
|------------------------------|----------------------------|----------------------------|
| Current income tax | 160,038 | 236,888 |
| Underprovision in prior year | 130,711 | 47,282 |
| | <u>290,749</u> | <u>284,170</u> |

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2024 and 2023 were as follows:

| | <u>2024</u> <u>US\$</u> | <u>2023</u> <u>US\$</u> |
|---|----------------------------|----------------------------|
| Profit before tax | <u>1,281,864</u> | <u>1,650,042</u> |
| Income tax using the statutory tax rate of 17% (2023: 17%) | 217,917 | 280,507 |
| Expenses not deductible for tax purposes | 9,299 | 14,944 |
| Income not subject to tax | (54,248) | (45,563) |
| Statutory exemption | (12,930) | (13,000) |
| Underprovision in prior year | 130,711 | 47,282 |
| | <u>290,749</u> | <u>284,170</u> |

Movement in income tax payable

| | <u>2024</u> <u>US\$</u> | <u>2023</u> <u>US\$</u> |
|--|----------------------------|----------------------------|
| Balance at beginning of the financial year | 236,888 | 112,104 |
| Current year income tax | 160,038 | 236,888 |
| Tax paid during the year | (279,926) | (159,386) |
| Underprovision in prior year | 130,711 | 47,282 |
| Balance at end of the financial year | <u>247,711</u> | <u>236,888</u> |

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

17. Leases

Company as a lessee

The Company has lease contracts for leasehold buildings. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

(a) Carrying amount of right-of-use assets presented within property, plant and equipment

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|---------------|---------------|
| | US\$ | US\$ |
| At beginning of the financial year | 39,090 | - |
| Addition | 84,357 | 78,180 |
| Depreciation | (42,023) | (39,090) |
| At end of the financial year | <u>81,424</u> | <u>39,090</u> |

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 9.

(c) Amounts recognised in profit or loss

| | <u>2024</u> | <u>2023</u> |
|---|---------------|---------------|
| | US\$ | US\$ |
| Depreciation of right-of-use assets | 42,023 | 39,090 |
| Interest expense on lease liabilities | 1,569 | 2,998 |
| Total amount recognised in profit or loss | <u>43,592</u> | <u>42,088</u> |

(d) Total cash outflow

The company has a total cash outflow for leases of US\$44,368 (2023: US\$45,112)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

17. Leases (continued)

Company as a lessee (continued)

(e) Extension options

The Company has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1).

Company as a lessor

The Company has entered into operating leases on its investment properties.

Rental income from investment properties is disclosed in Note 5.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

| | <u>2024</u> | <u>2023</u> |
|--------------------------|---------------|---------------|
| | <u>US\$</u> | <u>US\$</u> |
| Not later than one year | 41,434 | 36,066 |
| Within two to five years | 36,190 | - |
| | <u>77,624</u> | <u>36,066</u> |

18. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

18. Significant related party transactions (continued)

Compensation of key management personnel (continued)

During the financial year, the following are remuneration to the directors of the Company representing the total key management personnel remuneration:

| | <u>2024</u> | <u>2023</u> |
|-----------------------------|--------------|--------------|
| | <u>US\$</u> | <u>US\$</u> |
| Directors' fees | 63,359 | 54,156 |
| Directors' remuneration | 378,890 | 332,623 |
| Director's CPF contribution | <u>1,423</u> | <u>1,311</u> |

19. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to 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 Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

19. Financial risk management (continued)

(a) Credit risk (continued)

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 behaviour 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 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

19. Financial risk management (continued)

(a) Credit risk (continued)

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 recognising expected credit loss (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 Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

| | Note | Category | 12-month or lifetime ECL | Gross carrying amount | Loss allowance | Net carrying amount |
|----------------------|-------------|-----------------|---------------------------------|------------------------------|-----------------------|----------------------------|
| | | | | US\$ | US\$ | US\$ |
| 31 March 2024 | | | | | | |
| Trade receivables | 6 | Note 1 | Lifetime ECL (simplified) | 11,161,668 | - | 11,161,668 |
| Other receivables | 6 | Note 2 | 12-month ECL | 21,092 | - | 21,092 |
| | | | | | <u>-</u> | |
| | | | | | <u>-</u> | |
| 31 March 2023 | | | | | | |
| Trade receivables | 6 | Note 1 | Lifetime ECL (simplified) | 6,494,313 | - | 6,494,313 |
| Other receivables | 6 | Note 2 | 12-month ECL | 1,256,389 | - | 1,256,389 |
| | | | | | <u>-</u> | |
| | | | | | <u>-</u> | |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

19. Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables (Note 1)

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.

| | Trade receivables | | | | | Total US\$ |
|--|-------------------------|------------------|-----------------------|-----------------------|------------------|-------------------|
| | Not past due US\$ | Days past due | | | | |
| | | ≤30 days US\$ | 31-60 days US\$ | 61-90 days US\$ | >90 days US\$ | |
| 2024 | | | | | | |
| ECL rate | 0% | 0% | 0% | 0% | 0% | |
| Estimated total gross carrying amount at default | - | 11,161,668 | - | - | - | 11,161,668 |
| ECL | - | - | - | - | - | - |
| | | | | | | <u>11,161,668</u> |
| 2023 | | | | | | |
| ECL rate | 0% | 0% | 0% | 0% | 0% | |
| Estimated total gross carrying amount at default | - | 6,494,313 | - | - | - | 6,494,313 |
| ECL | - | - | - | - | - | - |
| | | | | | | <u>6,494,313</u> |

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

19. Financial risk management (continued)

(a) Credit risk (continued)

Exposure to credit risk

The Company has no significant concentration of credit risk of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables (Note 2)

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.

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term 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. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations and borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19. Financial risk management (continued)

(b) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

| | Carrying amount | Contractual cash flows | One year or less | Between two to five years |
|---|--------------------|---------------------------|---------------------|---------------------------------|
| | US\$ | US\$ | US\$ | US\$ |
| 2024 | | | | |
| <u>Financial assets</u> | | | | |
| Trade and other receivables | 11,182,760 | 11,182,760 | 11,182,760 | - |
| Cash and cash equivalents | 9,822,748 | 9,822,748 | 9,822,748 | - |
| Total undiscounted financial assets | <u>21,005,508</u> | <u>21,005,508</u> | <u>21,005,508</u> | <u>-</u> |
| <u>Financial liabilities</u> | | | | |
| Trade and other payables# | 14,016,568 | 14,016,568 | 14,016,568 | - |
| Borrowings | 77,624 | 81,699 | 41,434 | 40,625 |
| Total undiscounted financial liabilities | <u>14,094,192</u> | <u>14,098,267</u> | <u>14,058,002</u> | <u>40,625</u> |
| Total net undiscounted financial assets/(liabilities) | <u>6,911,316</u> | <u>6,907,241</u> | <u>6,947,506</u> | <u>(40,625)</u> |
| 2023 | | | | |
| <u>Financial assets</u> | | | | |
| Trade and other receivables | 7,750,702 | 7,750,702 | 7,750,702 | - |
| Cash and cash equivalents | 9,778,043 | 9,778,043 | 9,778,043 | - |
| Total undiscounted financial assets | <u>17,528,745</u> | <u>17,528,745</u> | <u>17,528,745</u> | <u>-</u> |
| <u>Financial liabilities</u> | | | | |
| Trade and other payables# | 11,351,454 | 11,351,454 | 11,351,454 | - |
| Borrowings | 36,066 | 51,140 | 51,140 | - |
| Total undiscounted financial liabilities | <u>11,387,520</u> | <u>11,402,594</u> | <u>11,402,594</u> | <u>-</u> |
| Total net undiscounted financial assets | <u>6,141,225</u> | <u>6,126,151</u> | <u>6,126,151</u> | <u>-</u> |

#(Exclude GST payables)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

19. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to holding company, cash and cash equivalents and borrowings.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 50 (2023: 50) basis points higher/lower with all other variables held constant, the Company's profit before tax would have been US\$388 (2023: US\$180) higher/lower, arising mainly as a result of higher/lower interest income/expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar (SGD) and British Pound (GBP).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

| | <u>SGD</u> | <u>GBP</u> |
|--------------------------------------|----------------|--------------|
| | <u>US\$</u> | <u>US\$</u> |
| 2024 | | |
| <u>Financial assets:</u> | | |
| Cash and cash equivalents | 85,199 | 1,077 |
| <u>Financial liabilities:</u> | | |
| Trade and other payables | 11,459 | - |
| Borrowings | 77,624 | - |
| | <u>89,083</u> | <u>-</u> |
| Currency exposure | <u>(3,884)</u> | <u>1,077</u> |
| 2023 | | |
| <u>Financial assets:</u> | | |
| Cash and cash equivalents | 106,374 | 1,077 |
| <u>Financial liabilities:</u> | | |
| Trade and other payables | 6,685 | - |
| Borrowings | 36,066 | - |
| | <u>42,751</u> | <u>-</u> |
| Currency exposure | <u>63,623</u> | <u>1,077</u> |

A 10% (2023: 10%) strengthening of United States Dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

| | <u>Profit or loss (after tax)</u> | |
|------------------|-----------------------------------|--------------|
| | <u>2024</u> | <u>2023</u> |
| | <u>US\$</u> | <u>US\$</u> |
| British Pound | 89 | 89 |
| Singapore Dollar | <u>(322)</u> | <u>5,281</u> |

A 10% (2023: 10%) weakening of United States Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

| <u>Fair value measurements at the reporting date using</u> | | | | |
|--|---|---|--|---------------|
| | Quoted prices in active markets for identical instruments (Level 1) US\$ | Significant observable inputs other than quoted prices (Level 2) US\$ | Significant unobservable inputs (Level 3) US\$ | Total US\$ |
| <u>2024</u> | | | | |
| Non-financial assets: | | | | |
| Investment property (Note 5) | - | - | 1,983,638 | 1,983,638 |
| <u>2023</u> | | | | |
| Non-financial assets: | | | | |
| Investment property (Note 5) | - | - | 1,793,703 | 1,793,703 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

20. Fair value of assets and liabilities (continued)

(c) Assets and liabilities not measured at fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

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

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to related companies) approximate their fair values as they are subject to normal trade credit terms.

Borrowings

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

21. Financial instruments by category

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

| | Financial assets at amortised cost | Financial liabilities at amortised cost | Total |
|-----------------------------|---|--|-------------------|
| | US\$ | US\$ | US\$ |
| 2024 | | | |
| <i>Assets</i> | | | |
| Trade and other receivables | 11,182,760 | - | 11,182,760 |
| Cash and cash equivalents | 9,822,748 | - | 9,822,748 |
| | <u>21,005,508</u> | <u>-</u> | <u>21,005,508</u> |
| <i>Liabilities</i> | | | |
| Trade and other payables# | - | 14,016,568 | 14,016,568 |
| Borrowings | - | 77,624 | 77,624 |
| | <u>-</u> | <u>14,094,192</u> | <u>14,094,192</u> |
| 2023 | | | |
| <i>Assets</i> | | | |
| Trade and other receivables | 7,750,702 | - | 7,750,702 |
| Cash and cash equivalents | 9,778,043 | - | 9,778,043 |
| | <u>17,528,745</u> | <u>-</u> | <u>17,528,745</u> |
| <i>Liabilities</i> | | | |
| Trade and other payables# | - | 11,351,454 | 11,351,454 |
| Borrowings | - | 36,066 | 36,066 |
| | <u>-</u> | <u>11,387,520</u> | <u>11,387,520</u> |

#(Exclude GST payables)

22. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

22. Capital management (continued)

No changes were made to the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

23. Comparative information

During 2024, the Company modified the classification of statement of cash flows to reflect more appropriately the underlying nature for the current year presentation. Comparative figures in the statement of cash flows were reclassified for consistency purposes.

| | <u>Before reclassification</u> US\$ | <u>Reclassification made</u> US\$ | <u>After reclassification</u> US\$ |
|---|--|--|---|
| 31 March 2023 | | | |
| <u>Statement of cash flows</u> | | | |
| Cash flows from operating expenses: | | | |
| Loss/(gain) on foreign exchange - unrealised | - | (3,230) | (3,230) |
| Cash flows from investing activity: | | | |
| Increase in restricted deposits placed with banks | (4,000,000) | 4,000,000 | - |
| Net change in cash and cash equivalents | 2,540,962 | (3,996,770) | (1,455,808) |

24. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 25 April 2024.

**DETAILED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

| | <u>2024</u> | <u>2023</u> |
|--|-----------------------|-------------------------|
| | US\$ | US\$ |
| REVENUE | 47,258,541 | 56,227,621 |
| PURCHASES | <u>(46,272,984)</u> | <u>(56,119,933)</u> |
| GROSS PROFIT | 985,557 | 107,688 |
| OTHER INCOME | | |
| Foreign exchange gain - realised | 32,225 | 33,042 |
| Foreign exchange gain - unrealised | - | 3,230 |
| Fair value gain on investment property | 189,935 | 89,590 |
| Government grant - Progressive Wage Scheme | 1,133 | 1,133 |
| Government grant - Others | 55 | - |
| Government grant - Senior Employment Credit | 627 | - |
| Government grant - Special Employment Credit | 577 | 960 |
| Government grant - Temporary Employment Credit | 57 | - |
| Income from non-delivery contact | 862,445 | 2,276,871 |
| Interest on fixed deposits | 291,872 | 66,437 |
| Other income | - | 33,002 |
| Rental income | 52,576 | 51,137 |
| | <u>1,431,502</u> | <u>2,555,402</u> |
| OTHER EXPENSES | | |
| Depreciation of property, plant and equipment | <u>43,437</u> | <u>53,996</u> |
| FINANCE COSTS | | |
| Interest on bank borrowings | - | 22,208 |
| Interest on lease liabilities | 1,569 | 2,998 |
| | <u>1,569</u> | <u>25,206</u> |
| STAFF COSTS | | |
| CPF contribution | 5,364 | 5,926 |
| Director's CPF contribution | 1,423 | 1,311 |
| Directors' fee | 63,359 | 54,156 |
| Directors' remuneration | 378,890 | 332,623 |
| Skill Development Levy | 344 | 761 |
| Staff salary | 365,290 | 245,050 |
| | <u>814,670</u> | <u>639,827</u> |
| OTHER OPERATING EXPENSES | <u>275,519</u> | <u>294,019</u> |
| PROFIT BEFORE TAX | 1,281,864 | 1,650,042 |
| INCOME TAX EXPENSE | (290,749) | (284,170) |
| PROFIT AFTER TAX | <u>991,115</u> | <u>1,365,872</u> |

This statement does not form part of the audited financial statement of the Company

OTHER OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | <u>2024</u> US\$ | <u>2023</u> US\$ |
|---|-----------------------|-----------------------|
| OTHER OPERATING EXPENSES | | |
| Audit fees | 10,620 | 10,422 |
| Bank charges | 6,100 | 5,992 |
| Commissions | 143,019 | 205,004 |
| Conveyance fee | 5,443 | 2,806 |
| Entertainment | 553 | 290 |
| Loss on foreign exchange - unrealised | 3,235 | - |
| Miscellaneous charges for investment property | 4,720 | 4,087 |
| Office repair and maintenance | - | 616 |
| Postage and courier | 105 | 228 |
| Printing and stationery | 303 | 437 |
| Professional fee | 2,231 | 1,942 |
| Property tax | 4,975 | 4,615 |
| Repair and maintenance | 2,839 | - |
| Subscription fees | 7,581 | 5,102 |
| Telephone expenses | 2,232 | 2,406 |
| Travelling expenses | 81,563 | 50,072 |
| | <u>275,519</u> | <u>294,019</u> |

This statement does not form part of the audited financial statement of the Company.