

**GODREJ INTERNATIONAL TRADING
& INVESTMENTS PTE. LTD.**
(Incorporated in Singapore)
(Reg. No. 200923073W)

**ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2023**

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

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 31 March 2023.

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 2023 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 Mohmed Salehbhai

3. ARRANGEMENT 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 is to enable the directors of the Company to acquire benefits by means of the acquisitions of shares or debentures of the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

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

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

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 as at the end of the financial year.

6. AUDITOR

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

The Board of Directors



.....
Dorab Erach Mistry
Director



.....
Ahmed Mohmed Salehbhai
Director

Singapore,

28 APR 2023

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 as at 31 March 2023, and the statement of 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 our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 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 responsibility under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

**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)

- 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 going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



V. P. KUMARAN & CO.
Public Accountants and
Chartered Accountants

Singapore,

28 APR 2023

AL/DB/PN

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	<u>Note</u>	<u>2023</u> US\$	<u>2022</u> US\$
ASSETS			
Non-current assets			
Property, plant and equipment	4	39,090	7,493
Investment property	5	1,793,703	1,704,113
		<u>1,832,793</u>	<u>1,711,606</u>
Current assets			
Trade and other receivables	6	7,750,702	11,184,861
Cash and cash equivalents	7	9,778,043	8,319,005
		<u>17,528,745</u>	<u>19,503,866</u>
Total assets		<u>19,361,538</u>	<u>21,215,472</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	11,352,020	13,874,823
Interests-bearing loans and borrowing	9	36,066	71,528
Income tax payable	16	236,888	112,104
		<u>11,624,974</u>	<u>14,058,455</u>
Non-current liabilities			
Interests-bearing loans and borrowing	9	-	786,325
Total liabilities		<u>11,624,974</u>	<u>14,844,780</u>
Net assets		<u>7,736,564</u>	<u>6,370,692</u>
EQUITY			
Share capital	10	1,000,000	1,000,000
Retained earnings		6,736,564	5,370,692
Total equity		<u>7,736,564</u>	<u>6,370,692</u>

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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>2023</u> US\$	<u>2022</u> US\$
INCOME			
Revenue	11	56,227,621	94,955,120
Other income	12	<u>2,555,402</u>	<u>2,168,588</u>
		<u>58,783,023</u>	<u>97,123,708</u>
COSTS AND EXPENSES			
Purchases		56,119,933	95,219,036
Depreciation of property, plant and equipment	4	53,996	36,126
Finance costs	13	25,206	13,179
Staff costs	14	639,827	526,800
Other operating expenses		<u>294,019</u>	<u>262,427</u>
Total costs and expenses		<u>57,132,981</u>	<u>96,057,568</u>
PROFIT BEFORE TAX	15	<u>1,650,042</u>	<u>1,066,140</u>
INCOME TAX EXPENSE	16	(284,170)	(156,576)
PROFIT AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,365,872</u></u>	<u><u>909,564</u></u>

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Share capital	Retained earnings	Total equity
	US\$	US\$	US\$
2023			
Balance at beginning of financial year	1,000,000	5,370,692	6,370,692
Total comprehensive income for the financial year	-	1,365,872	1,365,872
Balance at end of financial year	<u>1,000,000</u>	<u>6,736,564</u>	<u>7,736,564</u>
2022			
Balance at beginning of financial year	1,000,000	4,461,128	5,461,128
Total comprehensive income for the financial year	-	909,564	909,564
Balance at end of financial year	<u>1,000,000</u>	<u>5,370,692</u>	<u>6,370,692</u>

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

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,650,042	1,066,140
Adjustments for:			
Depreciation of property, plant and equipment	4	53,996	36,126
Gain on disposal of investment property	12	-	(42,109)
Gain on fair value of investment property	12	(89,590)	-
Interest income	12	(66,437)	(56,429)
Interest expense	13	25,206	13,179
Operating profit before working capital changes		<u>1,573,217</u>	<u>1,016,907</u>
Changes in working capital:			
Trade and other receivables		3,443,093	5,993,003
Trade and other payables		<u>(2,522,803)</u>	<u>(935,044)</u>
Cash generated from operations		2,493,507	6,074,866
Interest received		57,503	56,429
Interest paid		(22,208)	(11,108)
Tax paid	16	<u>(159,386)</u>	<u>(251,886)</u>
Net cash generated from operating activities		<u>2,369,416</u>	<u>5,868,301</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(7,413)	(3,451)
Proceeds from disposal of investment property		-	1,905,195
Increase in restricted deposits placed with banks		<u>(4,000,000)</u>	<u>-</u>
Net cash (used in)/generated from investing activities		<u>(4,007,413)</u>	<u>1,901,744</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank borrowings	9	(857,853)	(73,362)
Repayment of principal portion of lease liabilities	9	<u>(45,112)</u>	<u>(38,679)</u>
Net cash used in financing activities		<u>(902,965)</u>	<u>(112,041)</u>
Net change in cash and cash equivalents		(2,540,962)	7,658,004
Cash and cash equivalents at beginning of financial year		8,319,005	661,001
Cash and cash equivalents at end of financial year	7	<u>5,778,043</u>	<u>8,319,005</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

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

1. GENERAL

Godrej International Trading & Investments Pte. Ltd. (the Company) is a private limited liability company incorporated and domiciled in the Republic of Singapore and has its registered office and principal place of business located 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS). 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 Dollar (US\$), which is the Company's functional currency.

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 2022. The adoption of this standards did not have any material effect on the financial performance or position of the Company.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 <i>Property, Plant and Equipment</i> : Proceeds before intended use	1 January 2022
Annual improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current liabilities with Covenants	1 January 2024

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

2.4 Foreign currency transaction and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting year.

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

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

	<u>Useful lives</u>
• Office equipment	1 year
• Leasehold building	Over the lease term of 2 years

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, 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 derecognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

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

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment property

Investment property are property that are either owned by the Company or leased under a finance lease in order 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 comprise completed investment property and property that is being constructed or developed for future use as investment property. Property held under operating leases are classified as investment property when the definition of investment property is met.

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

Subsequent to initial recognition, investment property is measured at fair value which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment property is included in statement of comprehensive income in the year in which they arise.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of investment property is recognised in statement of comprehensive income in the year of retirement or disposal. Transfers are made to or from investment property only when there is a change in use.

2.8 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or 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 have been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 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 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.

Subsequent measurement

Investments in debts instruments

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (continued)

(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 fair value through statement of comprehensive income, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

2.10 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).

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets (continued)

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

The Company considers a financial asset in default when contractual payments are 90 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.

2.11 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 participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, 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 – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 2.8.

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

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(a) As lessee (continued)

Lease liabilities (continued)

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 Note 9.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognised as expense on a straight-line basis over the lease term.

(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.

2.14 Borrowing costs

All borrowings 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 measured based on the 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 parties.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Revenue (continued)

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 transactions 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 expenses. 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.

2.17 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Taxes (continued)

Current income tax (continued)

Current income taxes are recognised in statement of comprehensive income except to the extent that the tax relates to items recognised outside statement of comprehensive income, 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 established provisions where appropriate.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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
 - (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 – 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Determination of functional currency

The Company measures foreign currency transactions in the functional currency of the Company. In determining the functional currency of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which it operates and its process of determining sales prices.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements made in applying accounting policies (continued)

Determination of lease term 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 effects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customization 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

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 20.

The carrying amount of the Company's trade receivables as at 31 March 2023 was US\$7,704,312 (2022: US\$11,103,389).

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 2023 was US\$236,888 (2022: US\$112,104).

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

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 2021	120,258	30,015	150,273
Addition	-	3,451	3,451
At 31 March 2022 and 1 April 2022	120,258	33,466	153,724
Addition	78,180	7,413	85,593
Write off	(120,258)	-	(120,258)
At 31 March 2023	78,180	40,879	119,059
Accumulated depreciation			
At 1 April 2021	84,888	25,217	110,105
Depreciation	35,370	756	36,126
At 31 March 2022 and 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	39,090	40,879	79,969
Net carrying amount			
At 31 March 2023	39,090	-	39,090
At 31 March 2022	-	7,493	7,493

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.

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5. INVESTMENT PROPERTY

	<u>2023</u> US\$	<u>2022</u> US\$
At valuation		
At beginning of year	1,704,113	3,567,199
Diposals during the year	-	(1,863,086)
Fair value gain	89,590	-
Balance at end of year	<u>1,793,703</u>	<u>1,704,113</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\$1,793,703 (2022: US\$1,704,113) have been mortgaged to banks for facilities granted to Company (Note 9).

The following amounts are recognised in the statement of comprehensive income:

	<u>2023</u> US\$	<u>2022</u> US\$
Rental income (Note 13)	51,137	59,873
Direct operating expenses arising from investment property that generates rental income	<u>8,702</u>	<u>12,343</u>

6. TRADE AND OTHER RECEIVABLES

	<u>2023</u> US\$	<u>2022</u> US\$
Trade receivables	6,494,313	11,103,389
Other receivables	1,209,999	-
Interest receivable	8,934	-
Deposits	10,222	10,222
Amount due from a related party	<u>27,234</u>	<u>71,250</u>
	<u>7,750,702</u>	<u>11,184,861</u>

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables

Other receivables are non-trade, unsecured, interest free and are repayable on demand.

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6. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 the following currencies:

	<u>2023</u> US\$	<u>2022</u> US\$
Singapore Dollar	-	15,810
United States Dollar	7,750,702	11,169,051
	<u>7,750,702</u>	<u>11,184,861</u>

7. CASH AND CASH EQUIVALENTS

	<u>2023</u> US\$	<u>2022</u> US\$
Cash at banks:		
- Current account	5,777,944	8,318,851
- Fixed deposit	4,000,000	-
	<u>9,777,944</u>	<u>8,318,851</u>
Cash in hand	99	154
	<u>9,778,043</u>	<u>8,319,005</u>

The maturity period of the fixed deposit is 1 year (2022: Nil) with an effective interest rate of 4.73% (2022: Nil) per annum.

Cash and cash equivalents are denominated in the following currencies:

	<u>2023</u> US\$	<u>2022</u> US\$
Singapore Dollar	106,374	63,772
British Pound	1,077	-
United States Dollar	9,670,592	8,255,233
	<u>9,778,043</u>	<u>8,319,005</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

7. CASH AND CASH EQUIVALENTS (CONTINUED)

For the purpose of presentation of statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	<u>2023</u> US\$	<u>2022</u> US\$
Cash and cash equivalents	9,778,043	8,319,005
Less : Fixed deposit	<u>(4,000,000)</u>	<u>-</u>
Cash and cash equivalents per statement of cash flows	<u>5,778,043</u>	<u>8,319,005</u>

8. TRADE AND OTHER PAYABLES

	<u>2023</u> US\$	<u>2022</u> US\$
Trade payables	149,893	1,186,775
Other payables	16,258	16,257
Amount due to a related company	11,179,184	12,664,331
Accruals	6,119	7,340
GST payables	566	120
	<u>11,352,020</u>	<u>13,874,823</u>

Trade payables

Trade payables are non-interest bearing and are generally on 30 to 90 days (2019: 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.

Trade and other payables are dominated in the following currencies:

	<u>2023</u> US\$	<u>2022</u> US\$
Singapore Dollar	6,685	7,460
United States Dollar	<u>11,345,335</u>	<u>13,867,363</u>
	<u>11,352,020</u>	<u>13,874,823</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

9. INTEREST-BEARING LOANS AND BORROWINGS

	<u>2023</u> US\$	<u>2022</u> US\$
Current		
Lease liabilities (Note 17)	36,066	-
Bank borrowings	-	71,528
	<u>36,066</u>	<u>71,528</u>
Non-current		
Bank borrowings	-	786,325
	<u>36,066</u>	<u>857,853</u>

The bank borrowing is secured by legal mortgage of the investment property (Note 5).

The bank borrowings bears interest rate ranging from 1.1% to 1.6% (2022: 1.1% to 1.6%) per annum.

Interest-bearing loan and borrowings are denominated in Singapore Dollar.

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

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

9. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

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

	1 April 2021	Cash flows	Non-cash changes			31 March 2022
			Acquisition	Accretion of interests	Other	
	US\$	US\$	US\$	US\$	US\$	US\$
Liabilities						
Bank borrowings						
- Current	71,528	(84,470)	-	11,108	73,362	71,528
- Non current	859,687	-	-	-	(73,362)	786,325
Lease liabilities						
- Current	36,608	(38,679)	-	2,071	-	-
- Non current	-	-	-	-	-	-
	<u>967,823</u>	<u>(123,149)</u>	<u>-</u>	<u>13,179</u>	<u>-</u>	<u>857,853</u>

The “other” column relates to reclassification of non- current portion of bank borrowings due to passage of time of US\$786,325 (2022: US\$73,362).

10. SHARE CAPITAL

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
Issued and paid up	No. of shares	US\$	No. of shares	US\$
ordinary shares:				
At beginning and end				
of the financial year	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and have no par value.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

11. REVENUE

Disaggregation of revenue

<u>Timing of transfer of good or services</u>	At a point in time US\$	Total US\$
31 March 2023		
Sales of goods	56,227,621	56,227,621
31 March 2022		
Sales of goods	94,955,120	94,955,120

12. OTHER INCOME

	2023 US\$	2022 US\$
Gain on disposal of investment property	-	42,109
Gain on fair value of investment property	89,590	-
Rental income	51,137	59,873
Foreign exchange gain - unrealised	3,230	-
Foreign exchange gain - realised	33,042	12,087
Government grant - Special Employment Credit	960	428
Government grant - Jobs Support Scheme	-	1,585
Government grant - Wage Credit Scheme	-	1,344
Government grant - Progressive Wage Scheme	1,133	-
Interest on fixed deposit	66,437	-
Interest income on loan	-	56,429
Income from non-delivery contact	2,276,871	1,993,286
Other income	33,002	1,447
	<u>2,555,402</u>	<u>2,168,588</u>

13. FINANCE COSTS

	2023 US\$	2022 US\$
Interest on bank borrowings	22,208	11,108
Interest on lease liabilities	2,998	2,071
	<u>25,206</u>	<u>13,179</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

14. STAFF COSTS

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Staff salary	245,050	78,314
Director's fees	54,156	119,813
Director's remuneration	332,623	321,678
CPF contribution	5,926	5,489
Director's CPF contribution	1,311	1,379
Skill Development levy	761	127
	<u>639,827</u>	<u>526,800</u>

15. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Commission	205,004	193,482
Depreciation of property, plant and equipment (Note 4)	53,996	36,126
Fair value gain on investment property (Note 5)	89,590	-
Finance costs (Note 13)	25,206	13,179
Gain on disposal of investment property	-	42,109
Rental expenses (Note 17(c))	-	10,392
Staff costs (Note 14)	639,827	526,800
Travelling expenses	<u>50,072</u>	<u>11,621</u>

16. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the financial year ended 31 March 2023 and 2022 were:

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Current year income tax	236,888	156,576
Underprovision in prior year	<u>47,282</u>	<u>-</u>
	<u>284,170</u>	<u>156,576</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

16. INCOME TAX EXPENSE (CONTINUED)

Relationship between tax expense and accounting

A reconciliation between tax expenses and accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2023 and 2022 were as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
Profit before tax	1,650,042	1,066,140
Income tax using the corporate tax rate of 17% (2022: 17%)	280,507	181,244
Expenses not deductible for tax purposes	14,944	600
Income not subject to tax	(45,563)	(12,268)
Statutory exemption	(13,000)	(13,000)
Underprovision in prior year	47,282	-
	<u>284,170</u>	<u>156,576</u>

Movement in income tax payables

	<u>2023</u> US\$	<u>2022</u> US\$
Balance at beginning of the financial year	112,104	207,414
Underprovision in prior year	47,282	-
Current year income tax	236,888	156,576
Tax paid during the year	(159,386)	(251,886)
Balance at end of the financial year	<u>236,888</u>	<u>112,104</u>

17. LEASES

Company as a lessee

The Company has lease contracts for leasehold building. 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 lease contracts that include extension options which are further discussed below.

The Company also has certain leases of building with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

17. LEASES (CONTINUED)

Company as a lessee (continued)

a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	<u>2023</u> US\$	<u>2022</u> US\$
At beginning of the financial year	-	35,370
Addition	78,180	-
Depreciation	(39,090)	(35,370)
At end of the financial year	<u>39,090</u>	<u>-</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>2023</u> US\$	<u>2022</u> US\$
Depreciation of right-of-use assets	39,090	35,370
Interest expense on lease liabilities	2,998	2,071
Expense relating to short-term lease	-	10,392
Total amount recognised in profit or loss	<u>42,088</u>	<u>47,833</u>

d) Total cash outflow

The Company had total cash outflows for leases of US\$45,112 (2022:US\$49,071).

e) Extension options

The Company has a lease contract 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).

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

17. LEASES (CONTINUED)

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>2023</u> US\$	<u>2022</u> US\$
Not later than one year	<u>36,066</u>	<u>31,586</u>

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties.

a) *Remuneration 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.

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

	<u>2023</u> US\$	<u>2022</u> US\$
Director's fee	54,156	119,813
Director's remuneration	332,623	321,678
Director's CPF contribution	<u>1,311</u>	<u>1,379</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

19. FINANCIAL RISK MANAGEMENT

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

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 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.

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 changes to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

- 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

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

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19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
				US\$	US\$	US\$
31 March 2023						
			lifetime ECL			
Trade receivables	6	Note 1 (simplified)		6,494,313	-	6,494,313
Other receivables	6	Note 2	12-month ECL	1,256,389	-	1,256,389
31 March 2022						
			lifetime ECL			
Trade receivables	6	Note 1 (simplified)		11,103,389	-	11,103,389
Other receivables	6	Note 2	12-month ECL	81,472	-	81,472

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
	Not past due	≤30 days	Days past due			
			31-60 days	61-90 days	>90 days	
US\$	US\$	US\$	US\$	US\$	US\$	
2023						
ECL rate	100%	0%	0%	0%	0%	
Estimate total						
gross carrying amount at default	-	6,494,313	-	-	-	6,494,313
ECL	-	-	-	-	-	-
						<u>6,494,313</u>

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19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables (Note 1) (continued)

	Trade receivables					Total
	Not past due	≤30 days	Days past due			
			31-60 days	61-90 days	>90 days	
US\$	US\$	US\$	US\$	US\$	US\$	
2022						
ECL rate	100%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	-	11,103,389	-	-	-	11,103,389
ECL	-	-	-	-	-	-
						<u>11,103,389</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.

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 assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers that the credit risk of these counter parties have not increased. The amount on the ECL allowance for other receivables and amount due from related party was insignificant.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

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's operations are financed mainly through its borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>One year or less</u>
	US\$	US\$	US\$
2023			
<i>Financial assets</i>			
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>
<i>Financial liabilities</i>			
Trade and other payables#	11,351,454	11,351,454	11,351,454
Interest-bearing loan and 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>
Total net undiscounted financial assets	<u>6,141,225</u>	<u>6,126,151</u>	<u>6,126,151</u>
2022			
<i>Financial assets</i>			
Trade and other receivables	11,184,861	11,184,861	11,184,861
Cash and cash equivalents	8,319,005	8,319,005	8,319,005
Total undiscounted financial assets	<u>19,503,866</u>	<u>19,503,866</u>	<u>19,503,866</u>
<i>Financial liabilities</i>			
Trade and other payables#	13,874,703	13,874,703	13,874,703
Interest-bearing loan and borrowings	857,853	880,061	880,061
Total undiscounted financial liabilities	<u>14,732,556</u>	<u>14,754,764</u>	<u>14,754,764</u>
Total net undiscounted financial assets	<u>4,771,310</u>	<u>4,749,102</u>	<u>4,749,102</u>

#(Exclude GST payables)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and foreign currency risk 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.

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 cash and cash equivalents and bank 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 (2022: 50) basis points higher/lower with all other variables held constant, the Company's profit/loss before tax would have been US\$150 (2022: US\$3,560) 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.

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 are Singapore Dollar (SGD) and British Pound (GBP).

	<u>SGD</u>	<u>GBP</u>
2023	US\$	US\$
<u>Financial assets</u>		
Cash and cash equivalents	106,374	1,077
<u>Financial liabilities</u>		
Trade and other payables	6,685	-
Currency exposures	99,689	1,077

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19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

2022	<u>SGD</u>	<u>GBP</u>
	US\$	US\$
<u>Financial assets</u>		
Trade and other receivables	15,810	-
Cash and cash equivalents	63,772	-
	<u>79,582</u>	<u>-</u>
<u>Financial liabilities</u>		
Trade and other payables	7,460	-
	<u>7,460</u>	<u>-</u>
Currency exposures	<u>72,122</u>	<u>-</u>

A 10% (2022:10%) 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>2023</u>	<u>2022</u>
	US\$	US\$
Singapore Dollar	8,274	5,986
British Pound	<u>89</u>	<u>-</u>

A 10% (2022: 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.

20. FAIR VALUES 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

20. FAIR VALUES OF ASSETS AND LIABILITIES

(a) Fair value hierarchy (continued)

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:

Fair value measurements at the reporting date using				
	Quoted prices in active markets for identical instruments <u>(Level 1)</u> US\$	Significant observable inputs other than quoted prices <u>(Level 2)</u> US\$	Significant unobservable inputs <u>(Level 3)</u> US\$	<u>Total</u> US\$
2023				
Non-financial assets:				
Investment property (Note 5)	-	-	1,793,703	1,793,703
2022				
Non-financial assets:				
Investment property (Note 5)	-	-	1,704,113	1,704,113

(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.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

20. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

(c) Assets and liabilities not measured at fair value (continued)

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.

Interest-bearing loan and borrowings

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

21. FINANCIAL INSTRUMENTS BY CATEGORY

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

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	US\$	US\$	US\$
2023			
<i>Assets</i>			
Trade and other receivables	7,750,702	-	7,750,702
Cash and cash equivalents	9,978,043	-	9,978,043
	<u>17,728,745</u>	<u>-</u>	<u>17,728,745</u>
<i>Liabilities</i>			
Trade and other payables#	-	11,351,454	11,351,454
Interest-bearing loan and borrowings	-	36,066	36,066
	<u>-</u>	<u>11,387,520</u>	<u>11,387,520</u>
2022			
<i>Assets</i>			
Trade and other receivables	11,184,861	-	11,184,861
Cash and cash equivalents	8,319,005	-	8,319,005
	<u>19,503,866</u>	<u>-</u>	<u>19,503,866</u>
<i>Liabilities</i>			
Trade and other payables#	-	13,874,703	13,874,703
Interest-bearing loan and borrowings	-	857,853	857,853
	<u>-</u>	<u>14,732,556</u>	<u>14,732,556</u>

#(Exclude GST payables)

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

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.

No changes were made to the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

23. COMPARATIVE INFORMATION

During 2023, the Company modified the classification of statement of comprehensive income and statement of cash flows to reflect more appropriately the underlying nature for current year presentation. Comparative figures in the statement of comprehensive income and statement of cash flows were reclassified for consistency purposes.

	Before reclassification	Reclassification made	After reclassification
	US\$	US\$	US\$
<u>31 March 2022</u>			
<u>Statement of comprehensive income</u>			
Finance costs	13,167	12	13,179
Other operating expenses	262,439	(12)	262,427
<u>Statement of cash flows</u>			
Cash flows from operating expenses:			
Depreciation of property, plant and equipment	756	35,370	36,126
Depreciation of right-of-use asset	35,370	(35,370)	-
Interest paid	(13,167)	2,059	(11,108)
Interest expenses	13,167	12	13,179
Cash flows from financing activities:			
Repayment of principal portion of lease liabilities	(36,608)	(2,071)	(38,679)

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

24. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 28 April 2023.

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DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023	2022
	US\$	US\$
REVENUE	56,227,621	94,955,120
PURCHASES	<u>(56,119,933)</u>	<u>(95,219,036)</u>
GROSS PROFIT/(LOSS)	107,688	(263,916)
OPERATING EXPENSES	<u>(1,013,048)</u>	<u>(838,532)</u>
OTHER INCOME		
Gain on disposal of investment property	-	42,109
Gain on fair value of investment property	89,590	-
Rental income	51,137	59,873
Foreign exchange gain - unrealised	3,230	-
Foreign exchange gain - realised	33,042	12,087
Government grant - Special Employment Credit	960	428
Government grant - Jobs Support Scheme	-	1,585
Government grant - Wage Credit Scheme	-	1,344
Government grant - Progressive Wage Scheme	1,133	-
Interest on fixed deposit	66,437	-
Interest income on loan	-	56,429
Income from non-delivery contact	2,276,871	1,993,286
Other income	33,002	1,447
	<u>2,555,402</u>	<u>2,168,588</u>
PROFIT BEFORE TAX	1,650,042	1,066,140
INCOME TAX EXPENSE	<u>(284,170)</u>	<u>(156,576)</u>
PROFIT AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,365,872</u>	<u>909,564</u>

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

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OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	<u>2023</u>	<u>2022</u>
	US\$	US\$
OPERATING EXPENSES		
Audit fees	10,422	10,409
Bank charges	5,992	7,848
Central Provident Fund	5,926	5,489
Conveyance fee	2,806	2,738
Commission	205,004	193,482
Depreciation of property, plant and equipment	53,996	36,126
Director's CPF	1,311	1,379
Director's fees	54,156	119,813
Director's remuneration	332,623	321,678
Entertainment	290	-
Interest on bank borrowings	22,208	11,108
Interest on lease liabilities	2,998	2,071
Miscellaneous charges for investment property	4,087	6,306
Office repairs and maintenance	616	2,716
Postage and courier	228	278
Printing and stationery	437	278
Property tax	4,615	6,037
Professional fee	1,942	5,745
Rental expenses	-	10,392
Staff salary	245,050	78,314
Skill development levy	761	127
Subscription	5,102	2,486
Telephone expenses	2,406	2,091
Travelling expenses	50,072	11,621
Total operating expenses	<u>1,013,048</u>	<u>838,532</u>

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