

*Directors' Statement and  
Audited Financial Statements*

***Asia iValue Pte. Ltd.***

*(Co. Reg. No. 202105225D)*

*For the financial year ended 31 March 2023*

**Asia iValue Pte. Ltd.**  
(Co. Reg. No. 202105225D)

## **General Information**

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### **Directors**

Krishna Raj Sharma  
Krishnamurthy Sekar  
Sunil Kumar Pillai

(Appointed on 20 December 2022)

### **Secretary**

Maya Devi D/O S. Renganathan

### **Independent Auditor**

Sashi Kala Devi Associates

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## **Directors' Statement**

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The directors are pleased to present their statement to the member together with the audited financial statements of Asia iValue 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 accompanying financial statements 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 of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, the ability of the Company to pay its debts as and when they fall due depends on the financial support of its holding company.

### **2. DIRECTORS**

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

Krishna Raj Sharma  
Krishnamurthy Sekar  
Sunil Kumar Pillai

### **3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND 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 acquisition of shares or debentures in the Company or any other body corporate.

### **4. DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES**

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares of the Company's holding company as stated below:

<b>Name of directors</b>	<b>Ordinary shares held in the name of directors</b>	
	<b>At beginning of year/at date of appointment</b>	<b>At end of year</b>
<i>Holding company</i> Ivalue Infosolutions Private Limited		
Krishna Raj Sharma	522,144	522,144
Sunil Kumar Pillai	339,127	809,377

**Directors' Statement - continued**

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**4. DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES (continued)**

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at beginning of financial year or date of appointment if later, or end of the financial year.

**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.

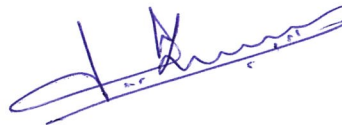
**6. INDEPENDENT AUDITOR**

The independent auditor, Sashi Kala Devi Associates, has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors



Krishnamurthy Sekar  
Director



Sunil Kumar Pillai  
Director

6 September 2023

# SASHI KALA DEVI ASSOCIATES

**Independent Auditor's Report**  
**to the member of Asia iValue Pte. Ltd.**  
(Co. Reg. No. 202105225D)

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## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Asia iValue 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 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.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial statements, which indicates that as at 31 March 2023, the Company's current and total liabilities exceeded its current and total assets by US\$13,567 and US\$10,562, respectively. As stated in Note 1, these events or conditions, with other matters as set forth in Note 1 indicates a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

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

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

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# SASHI KALA DEVI ASSOCIATES

## **Independent Auditor's Report to the member of Asia iValue Pte. Ltd. - continued (Co. Reg. No. 202105225D)**

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### *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 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.

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# SASHI KALA DEVI ASSOCIATES

## Independent Auditor's Report to the member of Asia iValue Pte. Ltd. - continued (Co. Reg. No. 202105225D)

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

- 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.

### **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.

  
Sashi Kala Devi Associates  
Public Accountants and  
Chartered Accountants

Singapore  
6 September 2023

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**Asia iValue Pte. Ltd.**  
(Co. Reg. No. 202105225D)

**Statement of Financial Position as at 31 March 2023**

	Note	2023 US\$	2022 US\$
<b>Non-current assets</b>			
Plant and equipment	5	3,005	3,005
<b>Current assets</b>			
Inventories	6	15,767	760,308
Trade receivables	7	1,572,572	1,006,246
Other receivables	8	69,202	76,648
Amount due from holding company	9	316,300	8,656
Cash and cash equivalents	10	82,990	243,312
		2,056,831	2,095,170
<b>Current liabilities</b>			
Trade payables		830,982	1,061,532
Other payables	11	95,880	248,123
Amount due to holding company	9	425,103	923,590
Bank overdraft	12	756,818	–
		2,108,783	2,233,245
<b>Net current liabilities</b>		(51,952)	(138,075)
<b>Net liabilities</b>		(48,947)	(135,070)
<b>Equity attributable to owner of the Company</b>			
Share capital	13	100,000	100,000
Accumulated losses		(148,947)	(235,070)
<b>Equity deficits</b>		(48,947)	(135,070)

*The accompanying notes form an integral part of the financial statements.*



**Statement of Comprehensive Income for the financial year ended 31 March 2023**

	Note	1.4.2022 to 31.3.2023 US\$	10.2.2021 to 31.3.2022 US\$
<b>Revenue</b>	14	9,620,388	2,261,179
Cost of revenue		(8,934,703)	(2,036,219)
Gross profit		685,685	224,960
Other income	15	331,188	9,997
Administrative expenses		(924,420)	(467,569)
Other charge	16	(6,330)	(2,458)
<b>Profit/(loss) before tax</b>	17	86,123	(235,070)
Income tax expense	18	–	–
<b>Profit/(loss) for the year/period</b>		86,123	(235,070)
Other comprehensive income		–	–
<b>Total comprehensive income/(loss) for year/period</b>		86,123	(235,070)

**Statement of Changes in Equity for the financial year ended 31 March 2023**

	Share capital US\$	Accumulated losses US\$	Total US\$
On incorporation of the Company	1,000	–	1,000
Issuance of ordinary shares	99,000	–	99,000
Total comprehensive loss for the period	–	(235,070)	(235,070)
Balance at 31 March 2022	100,000	(235,070)	(135,070)
Total comprehensive income for the year	–	86,123	86,123
Balance at 31 March 2023	100,000	(148,947)	(48,947)

*The accompanying notes form an integral part of the financial statements.*

**Statement of Cash Flows for the financial year ended 31 March 2023**

	<b>1.4.2022 to 31.3.2023</b>	<b>10.2.2021 to 31.3.2022</b>
	US\$	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	86,123	(235,070)
<b>Operating loss before working capital changes</b>	<u>86,123</u>	<u>(235,070)</u>
Decrease/(increase) in inventories	744,541	(760,308)
Increase in trade and other receivables	(558,880)	(1,082,894)
(Decrease)/increase in trade and other payables	(382,793)	1,309,655
Increase in amount due from holding company	(307,644)	(8,656)
Increase in amount due to holding company	358,513	66,590
<b>Net cash flows used in operating activities</b>	<u>(60,140)</u>	<u>(710,683)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of plant and equipment	–	(3,005)
<b>Net cash flows used in investing activity</b>	<u>–</u>	<u>(3,005)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease)/increase in amount due to holding company	(857,000)	857,000
Proceeds from issuance of ordinary shares	–	100,000
<b>Net cash flows (used in)/from financing activities</b>	<u>(857,000)</u>	<u>957,000</u>
Net (decrease)/increase in cash and cash equivalents	(917,140)	243,312
Cash and cash equivalents at beginning of year/period	243,312	–
<b>Cash and cash equivalents at end of year/period (Note 10)</b>	<u>(673,828)</u>	<u>243,312</u>

*The accompanying notes form an integral part of the financial statements.*

**Notes to the Financial Statements – 31 March 2023**

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

**1. FUNDAMENTAL ACCOUNTING CONCEPT**

As at 31 March 2023, the Company's current and total liabilities exceeded its current and total assets by US\$13,567 and US\$10,562, respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The directors have prepared these financial statements on a going concern basis as the directors are of the view that the Company holding company will continue to provide financial support to enable the Company to continue as a going concern.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. Such adjustments have been made to these financial statements.

**2. CORPORATE INFORMATION**

The Company is a private company limited by shares, incorporated and domiciled in Singapore. Its holding company is Ivalue Infosolutions Private Limited, a company incorporated in India.

The registered office and principal place of business is located at 31 Cantonment Road Singapore 089747.

The principal activities of the Company are those relating to the wholesale of computer software, hardware and peripheral equipment.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in United States Dollar ("USD" or "US\$"), which is the Company's functional currency and all values are rounded to the nearest one-dollar, except when otherwise indicated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year; the Company has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Company for the current or prior financial years.

Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

*Standards issued but not yet effective*

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

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

(b) *Functional and foreign currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be USD.

*Foreign currency transactions*

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

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(c) *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.

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

Computer equipment	–	1 year
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) *Plant and equipment (continued)*

Fully depreciated assets are retained in the financial statements until they are no longer in use.

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

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

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

(d) *Financial instrument*

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

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

*Subsequent measurement*

*Investments in debt instruments*

Subsequent measurement of debt instruments depends on the 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:

Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial instruments (continued)*

(i) *Financial assets (continued)*

*Subsequent measurement (continued)*

*Investments in debt instruments (continued)*

▪ *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 de-recognised or impaired, and through amortisation process.

▪ *Fair value through other comprehensive income ("FVOCI")*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

▪ *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

*Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial instruments (continued)*

(i) *Financial assets (continued)*

*De-recognition*

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

(ii) *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 profit or loss, 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 de-recognised, and through the amortisation process.

*De-recognition*

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

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Contract balances*

(i) *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(f) *Impairment of financial assets*

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, 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.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.



Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Impairment of financial assets (continued)*

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.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;
- (iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

(g) *Impairment of non-financial assets*

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

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generation unit to which the asset belongs.

**Notes to the Financial Statements – 31 March 2023**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) *Impairment of non-financial assets (continued)*

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

(h) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition is accounted for as follows:

- Trading goods – first-in-first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurred.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(i) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank.

For the purpose of the statement of cash flows, cash and cash equivalents include bank overdrafts that form an integral part of the Company's cash management.

(j) *Trade and other payables*

Trade and other payables are non-interest bearing and trade payables are normally settled on 30 to 60 days' terms while other payables have an average term of six months.

(k) *Employee benefits*

(i) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(k) *Employee benefits (continued)*

(i) *Defined contribution plans (continued)*

In particular, the Company makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(l) *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. Reassessment is only required when the terms and conditions of the contract are changed.

*As lessee*

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

*Short term and low value leases*

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

(m) *Government grants*

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

Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Government grants (continued)*

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognised as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as “Other income”. Alternatively, they are deducted in reporting the related expenses.

(n) *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.

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.

(i) *Sales of Information Technology (IT) softwares, hardwares and other IT related services*

The Company sells Information Technology (“IT”) hardware and software products and other IT related services bundled to their customer. These services are not distinct from the sales of hardware and software products as they are highly inter related to products sold. The Company recognised the revenue from the sales of products at a point in time when the goods are delivered to the customers and all criteria for acceptance have been satisfied. Revenue from other IT related services is also recognised at a point in time when the services are performed to the customers and all criteria for acceptance have been satisfied.

(ii) *Interest income*

Interest income is recognised using the effective interest method.

(o) *Taxes*

(i) *Current income tax*

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

Current income taxes are recognised in the profit or loss except to the extent that 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.

Notes to the Financial Statements – 31 March 2023

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) *Taxes (continued)*

(ii) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

(iii) *Goods and services tax*

Revenue, expenses and assets are recognised net of the amount of goods and services tax (“GST”) except:

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

Notes to the Financial Statements – 31 March 2023

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) *Taxes (continued)*

(iii) *Goods and services tax (continued)*

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

(p) *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).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and the disclosure of contingent liabilities as at the end of each reporting period. However, 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.

Notes to the Financial Statements – 31 March 2023

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4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

▪ *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty as at the end of each 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.

(i) *Provision for expected credit losses of trade receivables and amount due from holding company*

The Company uses a provision matrix to calculate ECLs for trade receivables and amount due from holding company. The provision rates are based on days past due for various customers segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates

When calculating ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The information about the ECLs on the Company's trade receivables and amount due from holding company is disclosed in Note 7 and 9 respectively.

▪ *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements – 31 March 2023

5. PLANT AND EQUIPMENT

	Computer US\$
<b>Cost</b>	
At date of incorporation	–
Additions	3,005
At 31 March 2022, 1 April 2023 and 31 March 2023	<u>3,005</u>
<b>Accumulated depreciation</b>	
At date of incorporation	–
Charge for the period	–
At 31 March 2022, 1 April 2023 and 31 March 2023	<u>–</u>
<b>Net carrying amount</b>	
At 31 March 2022	<u>3,005</u>
At 31 March 2023	<u>3,005</u>

6. INVENTORIES

	2023 US\$	2022 US\$
Trading goods	<u>15,767</u>	<u>760,308</u>
<i>Statement of comprehensive income</i>		
Inventories recognised as an expense in cost of revenue	<u>8,925,630</u>	<u>2,033,390</u>

7. TRADE RECEIVABLES

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

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

The following tables provide information about the exposure to credit risk and ECLs for trade receivables for individual customers as at 31 March 2023 and 2022:

	Expected credit loss rate %	Gross carrying amount US\$	Impairment loss allowance US\$	Credit impaired
<b>2023</b>				
Current and not past due	–	131,262	–	No
1 to 30 days past due	–	173,704	–	No
31 to 60 days past due	–	265,433	–	No
61 to 90 days past due	–	315,662	–	No
More than 90 days past due	–	686,511	–	No
		<u>1,572,572</u>	<u>–</u>	



Notes to the Financial Statement – 31 March 2023

7. TRADE RECEIVABLES (continued)

The following tables provide information about the exposure to credit risk and ECLs for trade receivables for individual customers as at 31 March 2023 and 2022 (continued):

	Expected credit loss rate %	Gross carrying amount US\$	Impairment loss allowance US\$	Credit impaired
<b>2022</b>				
Current and not past due	–	125,345	–	No
1 to 30 days past due	–	308,399	–	No
31 to 60 days past due	–	82,502	–	No
61 to 90 days past due	–	490,000	–	No
		<u>1,006,246</u>	<u>–</u>	

8. OTHER RECEIVABLES

	2023 US\$	2022 US\$
<b>Financial assets</b>		
Deposits	37,800	2,382
Sundry receivables	3,762	–
	<u>41,562</u>	<u>2,382</u>
<b>Non-financial assets</b>		
Advance to supplier	–	68,860
GST receivables	3,139	–
Withholding tax receivable	24,501	5,406
	<u>69,202</u>	<u>76,648</u>

9. AMOUNT DUE FROM/(TO) HOLDING COMPANY

Due from, trade	<u>316,300</u>	<u>8,656</u>
Due to, trade	425,103	66,590
Due to, non-trade	–	857,000
	<u>425,103</u>	<u>923,590</u>

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

	1.4.2022 US\$	Cash flows Repayment US\$	31.3.2023 US\$
Amount due to holding company	<u>857,000</u>	<u>(857,000)</u>	<u>–</u>

**Notes to the Financial Statement – 31 March 2023**

**9. AMOUNT DUE FROM/(TO) HOLDING COMPANY (continued)**

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

	<b>10.2.2021</b> US\$	<b>Cash flows Proceeds</b> US\$	<b>31.3.2022</b> US\$
Amount due to holding company	–	857,000	857,000

The amount due is unsecured, interest-free, repayable upon demand and is to be settled in cash.

**10. CASH AND CASH EQUIVALENTS**

	<b>2023</b> US\$	<b>2022</b> US\$
Cash at banks	82,990	243,312
Less: Bank overdraft (Note 12)	(756,818)	–
Cash and cash equivalents as stated in statement of cash flows	<u>(673,828)</u>	<u>243,312</u>

Cash and cash equivalents denominated in foreign currency as at 31 March are as follows:

Singapore Dollar	<u>44,509</u>	<u>41,743</u>
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**11. OTHER PAYABLES**

**Financial liabilities**

Accrued liabilities	95,880	159,235
Sundry payables	–	9,848
	<u>95,880</u>	<u>169,083</u>

**Non-financial liabilities**

Contract liabilities	–	65,159
GST payables	–	13,881
	<u>95,880</u>	<u>248,123</u>

Other payables denominated in foreign currency as at 31 March 2023 and 2022 are as follows:

Singapore Dollar	<u>–</u>	<u>13,881</u>
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**12. BANK OVERDRAFT**

The bank overdraft is secured by a corporate guarantee from the holding company for an amount of not less than US\$1,050,000. The interest is charged at the bank's prime rate plus 1.0% per annum. The effective interest rate during the year is 6.5%.

**Notes to the Financial Statement – 31 March 2023**

**13. SHARE CAPITAL**

	2023		2022	
	Number of shares	US\$	Number of shares	US\$
<i>Issued and fully paid</i>				
At beginning of year/date of incorporation	100,000	100,000	1,000	1000
Issuance during the year/period	–	–	99,000	99,000
At end of year/period	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

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

**14. REVENUE**

Revenue represents the sale of information technology hardware and software products and other related services in the normal course of business.

The timing of the sale is at a point in time when the performance obligation is satisfied. There was no unsatisfied performance obligation as at the end of the reporting period.

**15. OTHER INCOME**

	1.4.2022 to 31.3.2023 US\$	10.2.2021 to 31.3.2022 US\$
Sundry income	<u>331,188</u>	<u>9,997</u>

**16. OTHER CHARGE**

Foreign exchange adjustment, loss	<u>6,330</u>	<u>2,458</u>
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**17. PROFIT/(LOSS) BEFORE TAX**

The profit/(loss) before tax is arrived at after charging:

Employee benefits (Note 20)	605,423	300,377
Business promotion expenses	122,828	–
Purchases	<u>8,925,630</u>	<u>2,033,390</u>

**18. INCOME TAX EXPENSE**

(i) *Major components of income tax expense*

The major components of income tax expense for the year/period ended 31 March 2023 and 2022 are:

Statement of comprehensive income:

Current tax	<u>–</u>	<u>–</u>
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Notes to the Financial Statement – 31 March 2023

**18. INCOME TAX EXPENSE (continued)**

(ii) *Relationship between tax expense and accounting profit/(loss)*

The reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate for the year/period ended 31 March 2023 and 2022 are as follows:

	<b>1.4.2022 to 31.3.2023</b>	<b>10.2.2021 to 31.3.2022</b>
	US\$	US\$
Profit/(loss) before tax	<u>86,123</u>	<u>(235,070)</u>
Tax expense/(benefit) on profit/(loss) before tax at 17%	14,641	(39,962)
Adjustments:		
Deferred tax assets not recognised for current period	–	39,962
Utilisation of deferred tax asset not recognised in prior year	<u>(14,641)</u>	<u>–</u>
Total tax expense	<u>–</u>	<u>–</u>

**19. DEFERRED TAXATION**

	<b>2023</b>	<b>2022</b>
	US\$	US\$
<i>Deferred tax assets</i>		
Tax losses carried forward	<u>25,321</u>	<u>39,962</u>
Total deferred tax assets	25,321	39,962
Deferred tax assets on temporary differences not recognised	<u>(25,321)</u>	<u>(39,962)</u>
	<u>–</u>	<u>–</u>

The Company has unabsorbed tax losses of approximately US\$110,000 (2022: US\$235,000) that are available for offset against future taxable profits of the Company in which the losses arose for which no deferred tax assets is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to agreement with the income tax authorities.

**20. EMPLOYEE BENEFITS**

	<b>1.4.2022 to 31.3.2023</b>	<b>10.2.2021 to 31.3.2022</b>
	US\$	US\$
Central provident fund contributions	38,627	15,353
Staff salaries, bonuses and allowances	<u>566,796</u>	<u>285,024</u>
	<u>605,423</u>	<u>300,377</u>

**Notes to the Financial Statement – 31 March 2023**

**21. RELATED PARTY DISCLOSURES**

In addition to related company information disclosed elsewhere in the financial statements, the following significant transactions between the Company and its holding company that took place at terms agreed between the parties during the financial period:

*Significant related company transactions*

	<b>1.4.2022 to 31.3.2023</b>	<b>10.2.2021 to 31.3.2022</b>
	US\$	US\$
<i> Holding company</i>		
Purchases from	323,075	16,100
Sales to	<u>293,584</u>	<u>8,090</u>

**22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Company. The Company does not have any written financial risk management policies and guidelines and 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.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other debtors. Guidelines on credit terms provided to trade customers are established and continually monitored. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control. New customers are subject to credit evaluation while the Company continues to monitor existing customers, especially those with repayment issues. In addition, appropriate allowances are made for probable losses when necessary for identified debtors.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Notes to the Financial Statement – 31 March 2023

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) *Credit risk (continued)*

In order to minimise credit risk, the Company has developed and maintain its credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

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

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<b>2023</b>						
Trade receivables	7	(a)	Lifetime ECL (simplified approach)	1,572,572	–	1,572,572
Other receivables	8	Performing	12-month ECL	41,562	–	41,562
Amount due from holding company	9	Performing	12-month ECL	316,300	–	316,300
					–	

Notes to the Financial Statement – 31 March 2023

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) *Credit risk (continued)*

The table below details the credit quality of the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades (continued):

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<b>2022</b>						
Trade receivables	7	(a)	Lifetime ECL (simplified approach)	1,006,246	–	1,006,246
Other receivables	8	Performing	12-month ECL	2,382	–	2,382
Amount due from holding company	9	Performing	12-month ECL	8,656	–	8,656
					–	

(a) For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime. The Company determines the expected credit losses on these items 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 these assets is presented based on their past due status in terms of the provision matrix (Note 7).

▪ ***Exposure to credit risk***

As at the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

▪ ***Credit risk concentration profile***

28% (2022: 49%) of the trade receivables are due from one major customer.

▪ ***Financial assets that are neither past due nor impaired***

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

▪ ***Financial assets that are past due and impaired***

Information regarding financial assets that are either past due or impaired is disclosed in Note 7 (Trade receivables).

Notes to the Financial Statement – 31 March 2023

**22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(ii) *Liquidity risk*

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

The Company manages its liquidity risk based on the continuous financial support from its holding company.

The maturity profile of the Company's financial assets and financial liabilities as at the end of the reporting period, based on contractual undiscounted payments is within one year.

**23. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

The following table summarises the carrying amounts of financial assets and liabilities recorded as at the end of the reporting period by FRS 109 categories:

	2023 US\$	2022 US\$
<i>Financial assets at amortised cost</i>		
Trade receivables	1,572,572	1,006,246
Other receivables	41,562	2,382
Amount due to holding company	316,300	8,656
Cash and cash equivalents	82,990	243,312
	<u>2,013,424</u>	<u>1,260,596</u>
<i>Financial liabilities at amortised cost</i>		
Trade payables	830,982	1,061,532
Other payables	95,880	169,083
Amount due to holding company	425,103	923,590
Bank overdraft	756,818	–
	<u>2,108,783</u>	<u>2,154,205</u>

**24. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain the Company at a net current asset position by means of funding and financial support from its holding company, in order to support its business and maximise shareholder value.

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 its shareholder, return capital to its shareholder or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2023 and 2022. The Company is not subjected to externally-imposed capital requirements.



**Notes to the Financial Statement – 31 March 2023**

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**25. COMPARATIVE FIGURES**

The financial statements for the period ended 31 March 2022 cover the financial period from 10 February 2021 to 31 March 2022. The financial statements for the year ended 31 March 2023 cover the twelve months ended 31 March 2023. As such, the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes for the current year and previous financial period are not comparable.

**26. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on the date of these statements.