

ASIA IVALUE PTE. LTD.

(Incorporated in Singapore. Registration Number: 202105225D)

ANNUAL REPORT

For the financial year ended 31 March 2024

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2024

The directors present their statement to the shareholder together with the audited financial statements for the financial year ended 31 March 2024.

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 2024 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, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the holding corporation has agreed to provide continuing financial support to the Company to meet its liabilities as and when they fall due.

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. 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.

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

DIRECTORS' STATEMENT
For the financial year ended 31 March 2024

5. 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:

Ordinary shares held in the name of directors

<i>Name of directors</i>	<i>At the beginning of the year</i>	<i>At end of year</i>
<i> Holding company</i> iValue Infosolutions Limited (formerly known as "iValue Infosolutions Private Limited")		
Krishna Raj Sharma	522,144	522,144
Sunil Kumar Pillai	339,127	809,377

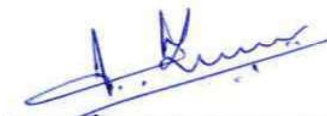
6. INDEPENDENT AUDITOR

The independent auditor, P&G Associates PAC, has expressed its willingness to accept re-appointment as auditors.

On behalf of the board of directors,



Krishna Raj Sharma
Director
Date: August 28, 2024



Sunil Kumar Pillai
Director
Date: August 28, 2024

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ASIA IVALUE PTE. LTD.**

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Asia iValue Pte. Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (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 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the year ended 31 March 2024;
- the balance sheet as at 31 March 2024;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Independence

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.

Other Matter

The financial statements of the Company for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 6, 2023.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ASIA IVALUE PTE. LTD.**

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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.

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 unauthorized use or disposition; and transactions are properly authorized 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 skepticism 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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ASIA IVALUE PTE. LTD.**

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.



P&G Associates PAC
Public Accountants and Chartered Accountants

Singapore
28 August 2024

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)***STATEMENT OF COMPREHENSIVE INCOME**
for the financial year ended 31 March 2024

	Note	2023-24 US\$	2022-23 US\$
Revenue	5	2,386,879	2,248,499
Cost of revenue		<u>(1,805,205)</u>	<u>(1,562,814)</u>
Gross profit		581,674	685,685
Other income	6	369,937	331,188
Distribution Cost		(54,600)	(5,200)
Employee Compensation	7	(578,632)	(605,714)
Business Promotion expenses		(101,918)	(122,827)
Professional Fee		(52,463)	(60,631)
Travelling Expenses		(29,362)	(22,579)
Bank Charges		(36,556)	(28,909)
Office expenses		(19,463)	(37,062)
Rent		(29,396)	(28,260)
Other expenses		(10,315)	(13,238)
Depreciation		(1,181)	-
Finance Cost		(29,124)	-
Other charge		<u>(2,946)</u>	<u>(6,330)</u>
Total expenses		(945,956)	(930,750)
Profit before tax		5,655	86,123
Income tax expense	8	-	-
Profit for the year		5,655	86,123
Other comprehensive income		-	-
Total comprehensive income for year		5,655	86,123

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

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)***STATEMENT OF FINANCIAL POSITION***for the financial year ended 31 March 2024*

	Note	2023-24 US\$	2022-23 US\$
ASSETS			
Current assets			
Inventories	9	15,251	15,767
Trade receivables	10	2,795,436	1,888,872
Other receivables	11	259,606	69,202
Cash and cash equivalents	12	122,622	82,990
		<u>3,192,915</u>	<u>2,056,831</u>
Non-current assets			
Plant and equipment	13	<u>1,824</u>	<u>3,005</u>
Total Assets		<u>3,194,739</u>	<u>2,059,836</u>
LIABILITIES			
Current liabilities			
Trade payables	14	2,614,307	1,256,085
Other payables	15	128,577	95,880
Bank overdraft	16	495,146	756,818
		<u>3,238,030</u>	<u>2,108,783</u>
Total Liabilities		<u>3,238,030</u>	<u>2,108,783</u>
Net liabilities		<u>(43,291)</u>	<u>(48,947)</u>
EQUITY			
Share capital	17	100,000	100,000
Accumulated Losses		<u>(143,291)</u>	<u>(148,947)</u>
Total Equity		<u>(43,291)</u>	<u>(48,947)</u>

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

ASIA IVALUE PTE. LTD.
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STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2024

	<u>Share capital</u> US\$	<u>Accumulated Losses</u> US\$	<u>Total</u> US\$
2023-24			
Balance as at 1 April 2023	100,000	(148,947)	(48,947)
Total comprehensive income	-	5,655	5,655
Balance as at 31 March 2024	100,000	(143,292)	(43,292)
2022-23			
Balance as at 1 April 2022	100,000	(235,070)	(135,070)
Total comprehensive income	-	86,123	86,123
Balance as at 31 March 2023	100,000	(148,947)	(48,947)

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

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)***STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2024*

	2023-24	2022-23
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after tax	5,655	86,123
Adjustments for:		
- Depreciation	1,181	-
Operating profit before working capital changes	6,836	86,123
Changes in working capital		
(Increase) / decrease in Inventories	515	744,541
(Increase) / decrease in Trade and Other Receivables	(1,043,876)	(558,880)
Increase / (decrease) in Trade and Other Payables	636,969	(382,793)
(Increase) / decrease in Amount due from holding company	(53,091)	(307,644)
Increase / (decrease) in Amount due to holding company	753,951	358,513
Net cash flows from / (used in) in operating activities	301,305	(60,140)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in amount due to holding company	-	(857,000)
Net cash flows used in financing activities	-	(857,000)
Net (decrease) / increase in cash and cash equivalents	301,305	(917,140)
Cash and cash equivalents at beginning of year	(673,828)	243,312
Cash and cash equivalents at end of year	(372,523)	(673,828)

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

ASIA IVALUE PTE. LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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 2024, the Company's current and total liabilities exceeded its current and total assets by US \$45,115 (2022-23: US \$51,952). The financial statements have been prepared on a going concern basis as the ultimate holding corporation has given an undertaking to provide continuing financial support to the Company. If the financial support is not forthcoming and as a result, the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the balance sheet. In addition, the Company may need to provide for further liabilities which may arise.

2. CORPORATE INFORMATION

The Company is a private company limited by shares, incorporated and domiciled in Singapore. Its holding company is Ivalue Infosolutions Limited (formerly known as "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 of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2023. The adoption of these standards did not have any material effect on the financial statements of the Company.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

The following standards and interpretations are effective for the annual period beginning on or after 1 January 2023:

- Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Standards issued but not yet effective

A number of new standards and amendments to standards 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 these new and amended standards will have no material impact on the financial statements in the year of initial application.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures Supplier Finance Arrangements	1 January 2024
Amendments to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to FRS 110 Consolidated Financial Statements: and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

(b) **Functional and foreign currency**

The financial statements are presented in United States Dollar, which is the functional currency of the Company.

Transactions in a currency other than United States Dollar ("foreign currency") are translated into United States Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognized in the profit or loss.

ASIA IVALUE PTE. LTD.

(Registration Number: 202105225D)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

c) **Plant and equipment**

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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 calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computer equipment – 3 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arises.

(d) **Financial instruments**

i. **Financial assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) At initial recognition

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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(ii) At subsequent measurement

For subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset is measured at amortised cost when they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest. The amortised cost of a financial asset is also adjusted for impairment loss, if any.

ASIA I VALUE PTE. LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

For trade receivables, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Impairment of financial assets

As at 31 March 2024, bank balances, other receivables and refundable deposits are rated with “performing” internal credit rating. The credit risk on bank balances, other receivables and refundable deposits are low as these balances are placed with reputable financial institutions or companies with good collection track records with the Company.

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been entiyed based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

(e) Inventories

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

i. Trading goods – actual cost 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 realizable value.

The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized 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 realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurred.

ASIA IVALUE PTE. LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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

Net realizable 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.

(f) 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.

(g) 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.

(h) Employee benefits*Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as The Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(i) Revenue

The entity recognises revenue on completion of its performance obligations at the fixed transaction prices specified in the underlying contracts or orders. There are no variable price elements arising from discounts or rebates. Where the contract or order includes more than one performance obligation, the transaction price is allocated to each obligation based on their stand-alone selling prices. These are separately listed as individual items within the contract or order. The primary areas of judgement for revenue recognition as principal versus agent are set out below for each revenue category.

Revenue is only recognised to the extent that it is highly probable that significant reversal will not occur. Transaction price excludes taxes and duties collected on behalf of the government. The entity does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the entity does not adjust any of the transaction prices for the time value of money.

ASIA IVALUE PTE. LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

a) Hardware

The entity's activities under this revenue stream comprise the sale of hardware items such as servers, hardware security modules and authentication keys. For hardware sales, the entity acts as principal, as it assumes primary responsibility for fulfilling the promise to provide the goods and for their acceptability, is exposed to inventory risk during the delivery period and has discretion in establishing the selling price. Revenue is recognised at the gross amount receivable from the customer for the hardware provided and on a point-in-time basis when delivered to the customer.

b) Software and Allied Support

The entity's performance obligation is to fulfil customers' requirements through the procurement of appropriate software products from relevant vendors. The entity invoices, and receives payment from, the customer itself. Whilst the transaction price is set by the entity at the amount specified in its contract/order with the customer, the software licensing agreement is between the vendor and the customer. The vendor is responsible for issuing the licences and activation keys, for the software's functionality, and for fulfilling the promise to provide the licences to the customer. Therefore, the entity acts as an agent and recognizes revenue on a net basis. The entity recognises such software sales revenue on a point-in-time basis once it has satisfied its performance obligations.

Revenue from professional/technical services and renewal of service packs is recorded on a net basis as the level of inventory risk, to which the Entity is exposed to, in these arrangements is negligible.

(j) 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.

(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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

(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.

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.

k) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments. The board of directors assess the financial performance and position of the group and make strategic decisions and therefore are identified as chief operating decision makers.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

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.

- *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.

- *Judgement made in applying accounting policies*

Change in Accounting Policy - Revenue Recognition:

- a) The entity previously accounted for revenue in relation to software and allied support on a principal basis. Following the IFRS (Interpretations Committee) agenda decision of May 2022 and ESMA (European Securities and Markets Authority) decision given in October 2023 on the recognition of the revenue from the resale of software licenses under IFRS 15 - Revenue from contracts with customers, the entity has reconsidered its accounting policy on revenue recognition for software and allied support under FRS115 "Revenue from contract with customers".

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For the financial year ended 31 March 2024

- b) The aforementioned decisions provided further guidance on the “control” criteria which is used by the Entity to determine whether it acts as a principal or as an agent. As a result of these guidances and considering that the vendors remain the primary obligors to fulfil the performance obligation related to the sales of software licenses and allied support, the Entity decided to change its accounting treatment. For this performance obligation, the Entity considers itself now to be acting as an agent.
- c) As prescribed in FRS 8 – “Accounting policies, changes in accounting estimates and errors”, the Entity applied this accounting treatment change retrospectively, so that the prior years and current year are presented consistently.

Gross sales as presented in the table below represent gross amounts billed by the Company to the customers in the relevant year:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gross sales billed to the Customers	8,388,780	9,620,388
Netting of Gross Sales and Gross Purchase in respect of Software and Allied support services (<i>Refer Accounting policy related to revenue recognition</i>)	(6,001,901)	(7,371,889)
Revenue from Contract with Customers	2,386,879	2,248,499

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***5. Revenue from Operations**

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.

a) Disaggregation of revenue from contracts with customers

	2023-24 US\$	2022-23 US\$
<u>At a point in time</u>		
Hardware*	1,928,296	1,711,652
Software and Allied Support	458,583	536,847
	<u>2,386,879</u>	<u>2,248,499</u>

*Consists of servers, hardware security modules and authentication keys.

b) Trade receivables

	2023-24 US\$	2022-23 US\$
Current assets:		
Trade receivables	<u>2,795,436</u>	<u>1,888,872</u>

6. Other Income

	2023-24 US\$	2022-23 US\$
Other Income	<u>369,937</u>	<u>331,188</u>

7. Employee Compensation

	2023-24 US\$	2022-23 US\$
Wages and salaries	509,961	566,796
Employer's contributions to Central Provident Fund	65,926	38,627
Other benefits	2,745	291
	<u>578,632</u>	<u>605,714</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Income Tax Expenses

	2023-24 US\$	2022-23 US\$
Tax expense attributable to results is made up of:		
- Current income tax	-	-
	<u>-</u>	<u>-</u>

The tax expense on results differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

	2023-24 US\$	2022-23 US\$
Profit before income tax	5,655	86,123
Tax calculated at a tax rate of 17% (2022-23: 17%)	961	14,641
- Utilisation of deferred tax asset not recognised in prior year	(961)	(14,641)
	<u>-</u>	<u>-</u>

Deferred Taxes

	2023-24 US\$	2022-23 US\$
<i>Deferred tax assets</i>		
Tax losses carried forward	24,405	25,321
Total deferred tax assets	24,405	25,321
Deferred tax assets on temporary differences not recognised	(24,405)	(25,321)
	<u>-</u>	<u>-</u>

9. Inventories

	2023-24 US\$	2022-23 US\$
Trading goods	15,251	15,767
<i>Statement of comprehensive income</i>		
Inventories recognized as an expense in cost of revenue (net of freight)	<u>1,805,205</u>	<u>1,562,814</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024

10. Trade Receivables

	2023-24 US\$	2022-23 US\$
Trade receivables from:		
- third parties	2,426,045	1,572,572
- related corporation	369,391	316,300
	<u>2,795,436</u>	<u>1,888,872</u>
Less: Allowance for impairment of trade receivables from third parties	-	-
Trade receivables – net	<u>2,795,436</u>	<u>1,888,872</u>

Trade and other receivables are denominated in the following currencies:

	2023-24 US\$	2022-23 US\$
United States Dollar	<u>2,795,436</u>	<u>1,888,872</u>
	<u>2,795,436</u>	<u>1,888,872</u>

11. Other Receivables

	2023-24 US\$	2022-23 US\$
Financial assets		
Deposits	3,762	37,800
Claims receivables	125,602	3,762
	<u>129,364</u>	<u>41,562</u>
Non-financial assets		
GST receivables	82,877	3,139
Withholding tax receivable	47,365	24,501
	<u>130,242</u>	<u>27,640</u>

12. Cash and Cash Equivalents

	2023-24 US\$	2022-23 US\$
Bank Balances	122,622	82,990
Cash and cash equivalents denominated in foreign currency as at 31 March are as follows:		
Singapore Dollar	85,466	44,509
United States Dollar	<u>37,156</u>	<u>38,481</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024

13. Property, Plant & Equipment

	Computer US\$
Cost	
At the beginning of the year	3,005
Additions	-
At 31 March 2024	<u>3,005</u>
Accumulated depreciation	
At the beginning of the year	-
Charge for the year	<u>1,181</u>
At 31 March 2024	<u>1,181</u>
Net carrying amount	
At 31 March 2023	<u>3,005</u>
At 31 March 2024	<u>1,824</u>

14. Trade Payables

	2023-24 US\$	2022-23 US\$
Trade payables to:		
- third parties	1,435,253	830,982
- related corporations	1,179,054	425,103
	<u>2,614,307</u>	<u>1,256,085</u>

Trade and other payables are denominated in the following currencies:

	2023-24 US\$	2022-23 US\$
United States Dollar	2,614,307	1,256,085
	<u>2,614,307</u>	<u>1,256,085</u>

15. Other Payables

	2023-24 US\$	2022-23 US\$
Financial liabilities		
Accrued Liabilities	128,577	95,880
	<u>128,577</u>	<u>95,880</u>

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024***16. Bank Overdraft**

The bank overdraft is secured by a corporate guarantee from the holding company for an amount not less than US\$2,100,000. 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%. (2022-23:6.5%)

	2023-24 US\$	2022-23 US\$
Bank Overdraft	495,146	756,818
	<u>495,146</u>	<u>756,818</u>

17. Share Capital

	2023-24		2022-23	
	Number of shares	US\$	Number of shares	US\$
<i>Issued and fully paid</i>				
At the beginning of the year	100,000	100,000	100,000	100,000
Issuance during the year	-	-	-	-
At end of year	<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 a par value of US\$1 and carry one vote per share without restrictions.

18. 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

	2023-24 US\$	2022-23 US\$
<u>Holding company</u>		
Purchases of goods	2,194,085	323,075
Sales of goods	152,841	293,584

Balances with related parties at the balance sheet date are set out in Notes 10 and 14.

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For the financial year ended 31 March 2024

19. 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, minimize 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.

- **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Company.

- (i) **Risk management**

The Company adopts the following policy to mitigate the credit risk. For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

The Company adopts the policy of dealing only with customers of appropriate credit standing and history.

Management performs credit reviews on new customers before acceptance and an annual review for existing customers. Credit reviews take into account evaluation of financial strength, the Company's past experiences with the customers and other relevant factors. The management will set credit limits (amount and period). Compliance with credit limits are monitored regularly by the management and exceptions beyond a certain threshold are discussed at the management meetings.

There is no significant concentration of credit risk, whether through exposure to individual customers, specific industry sections and/or regions

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These categories reflect the respective credit risk and how the loss provision is determined for each of those categories. The Company's current credit risk grading framework comprises the following categories:

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)*

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Debtors that have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses (Stage 1)
Under-performing	Debtors negotiating for new credit terms, default in repayment and other relevant indicators that showed debtors' increased credit risk	Lifetime expected credit losses (Stage 2)
Non-performing	Debtors with prolonged default in repayment and it is becoming probable that the debtor will enter bankruptcy or other financial reorganization	Lifetime expected credit losses (Stage 3)
Write-off	Debtors with no reasonable expectation of recovery	Asset is written off

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- (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.

- **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 recognized in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

- **Credit risk concentration profile**

18% (2023: 28%) 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.

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognized 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 2024 and 2023:

	Expected credit loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	US\$	US\$	
2024				
Current and not past due	–	350,135	–	No
1 to 30 days past due	–	823,174	–	No
31 to 60 days past due	–	161,252	–	No
61 to 90 days past due	–	152,539	–	No
More than 90 days past due	–	1,308,334	–	–
		<u><u>2,795,434</u></u>	<u><u>–</u></u>	

ASIA IVALUE PTE. LTD.*(Registration Number: 202105225D)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2024*

	Expected credit loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
	%	US\$	US\$	
2023				
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	–	1,002,811	–	-
		<u>1,888,872</u>	<u>–</u>	

(ii) Liquidity risk

The Company manages its liquidity risk by maintaining sufficient cash to meet its operating requirements and available funding from penultimate holding corporation to enable it to meet its operational requirements

All financial liabilities of the Company will mature within 12 months from the balance sheet date.

20. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

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

	2024	2023
	US\$	US\$
<i>Financial assets at amortized cost</i>		
Trade receivables	2,426,045	1,572,572
Other receivables	129,363	41,562
Amount due to holding company	369,391	316,300
Cash and cash equivalents	<u>122,622</u>	<u>82,990</u>
	<u>3,047,421</u>	<u>2,013,424</u>
<i>Financial liabilities at amortized cost</i>		
Trade payables	1,435,254	830,982
Other payables	128,577	95,880
Amount due to holding company	1,179,054	425,103
Bank overdraft	<u>495,146</u>	<u>756,818</u>
	<u>3,238,031</u>	<u>2,108,783</u>

21. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2024 were authorized for issue in accordance with a resolution of the directors on the date of these statements.