Nexia Singapore PAC

ALLIED DIGITAL SINGAPORE PTE. LTD.

Unique Entity Number: 201021848K

AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

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The directors are pleased to present their statement to the shareholder together with the audited financial statements of Allied Digital Singapore Pte. Ltd. (the "Company") for the financial year ended 31 March 2023.

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 the financial performance, changes in equity and cash flows of the Company for the year then ended; and

b) at the date of this statement, having regards to the financial support from its immediate and ultimate parent company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Nitin Dhanjibhai Shah	
Goh Kai Kok Sunny	
Nehal Nitin Shah	- appointed on 31 July 2023
Prakash Dhanjibhai Shah	- demised on 12 February 2023

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 objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares and debentures

The following directors, 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 (the "Act"), an interest in shares of the Company and its related corporations as follows:

	Number of shares			
	Direct interest		Deemed interest	
Name of director	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Ordinary shares of holding company (Allied Digital Services Limited)				
Nitin Dhanjibhai Shah	18,783,031	18,783,031	-	-
Ordinary shares of the Company				
Nitin Dhanjibhai Shah	-	-	100	100

Except as disclosed in this statement, no other director who held office at the end of the financial year has interest in shares, share options, warrants or debentures of the Company, or of related corporations, at the beginning or at the end of the financial year.

Share options

The Company has no share options scheme.

Auditors

Nexia Singapore PAC (f.k.a. Kreston ACA PAC) have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors,

Nehal Nitin Shah
....
Nehal Nitin Shah
Director

Nitin Dhanji Shah
....
Nitin Dhanjibhai Shah
Director

Signed on: 25 September 2023

Nexia Singapore PAC
(f.k.a. Kreston ACA PAC)
Chartered Accountants of Singapore
(UEN 202000100D)
120 Robinson Road #16-01
Singapore 068913
Tel: (65) 6356 9098 / (65) 6336 8772
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ALLIED DIGITAL SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Allied Digital Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In 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 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 Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement on pages 3 and 4 but does not include the financial statements and our auditor's report thereon.

Nexia Singapore PAC
(f.k.a. Kreston ACA PAC)
Chartered Accountants of Singapore
(UEN 202000100D)

Other Information (Continued)

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 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Nexia Singapore PAC
(f.k.a. Kreston ACA PAC)
Chartered Accountants of Singapore
(UEN 202000100D)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ALLIED DIGITAL SINGAPORE PTE. LTD.

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.

Nexia Singapore PAC

Nexia Singapore PAC
Public Accountants and
Chartered Accountants

Singapore

Partner-in-charge: Chew Yong Zhi

Signed on: 25 September 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 March 2023

	Note	2023 S$	2022 S$
Revenue	5	57,645	-
Employee benefits expenses	6	(49,500)	-
Other expenses	7	(3,875)	(2,091)
Profit/(loss) before tax		4,270	(2,091)
Income tax expenses	8	(152)	-
Profit/(loss) for the year		4,118	(2,091)
Other comprehensive income		-	-
Total comprehensive profit/(loss)		4,118	(2,091)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

ALLIED DIGITAL SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2023 S$	2022 S$
Assets			
Current assets			
Trade receivables	9	57,645	-
Prepayments		-	1,072
Cash	10	1,366	-
Total assets		59,011	1,072
Equity and liabilities			
Equity			
Share capital	11	100	100
Accumulated losses		(60,943)	(65,061)
Total equity		(60,843)	(64,961)
Current liabilities			
Trade payables	12	38,901	38,901
Other payables and accruals	13	2,000	2,000
Amount due to parent company	14	25,132	25,132
Amount due to related company	15	53,669	-
Tax payable		152	-
		119,854	66,033
Total liabilities		119,854	66,033
Total equity and liabilities		59,011	1,072

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

ALLIED DIGITAL SINGAPORE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2023

	Share capital	Accumulated losses	Total
	S$	S$	S$
At 1 April 2021	100	(62,970)	(62,870)
Total comprehensive loss	-	(2,091)	(2,091)
At 31 March 2022	100	(65,061)	(64,961)
Total comprehensive income	-	4,118	4,118
At 31 March 2023	100	(60,943)	(60,843)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2023

	Note	2023 S$	2022 S$
Cash flows from operating activities			
Profit/(Loss) before tax		4,270	(2,091)
Operating cash flows before working capital changes		4,270	(2,091)
Change in working capital:			
Trade receivables		(57,645)	-
Prepayments		1,072	3,345
Other payables and accruals		-	(15,685)
Net cash flows used in operating activities		(52,303)	(14,431)
Cash flows from financing activity			
Amount due to parent company		-	14,431
Amount due to related company		53,669	-
Net cash flows generated from financing activity		53,669	14,431
Net increase in cash		1,366	-
Cash at the beginning of the year		-	-
Cash at the end of the year	10	1,366	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

1. Corporate information

Allied Digital Singapore Pte. Ltd. is a limited liability company incorporated and domiciled in Singapore. The immediate and ultimate parent company is Allied Digital Services Limited.

The registered office of the Company is located at 9 Raffles Place #26-01 Republic Plaza Singapore 048619.

The Company is principally engaged in providing support services to its related company.

The financial statements of the Company for the current financial year were approved and authorised for issue in accordance with a resolution of the directors on date of the Directors' Statement.

2. Going concern

The financial statements of the Company have been prepared on a going concern basis notwithstanding net capital deficiency of S$60,843 (2022 : S$64,961) for the financial year ended 31 March 2023. This factors indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its immediate and ultimate parent company, Allied Digital Services Limited to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company were 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 the 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 and to provide for further liabilities which may arise. No such adjustments have been made to these financial statements.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollar ("S$") which is the Company's functional currency. All financial information is presented in units, unless otherwise stated.

3.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and effective for annual financial periods beginning on or after 1 April 2022. The adoption of these standards did not have material effect on the financial performance or position of the Company.

3. Summary of significant accounting policies (Continued)

3.3 Standards issued but not yet effective

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

Description	*Effective for annual periods beginning on or after*
Amendment to FRS 1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to FRS 8: *Definition of Accounting Estimates*	1 January 2023
Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to FRS 1: *Presentation of financial Statements: Non-current Liabilities with Covenants*	1 January 2024

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

3.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

3.5 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation 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, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. Summary of significant accounting policies (Continued)

3.5 Taxes (Continued)

b) Deferred tax

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 at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each 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.

3.6 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Company becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Investment in debt instruments

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

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

3. Summary of significant accounting policies (Continued)

3.6 Financial instruments (Continued)

a) Financial assets (Continued)

De-recognition

A financial asset is derecognised 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.

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

A financial liability is derecognised 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.

3.7 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

3. Summary of significant accounting policies (Continued)

3.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a "lifetime ECL").

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

The Company considers a financial asset in default when contractual payments are 120 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.

3.9 Cash

Cash comprises of cash at bank which is subject to an insignificant risk of changes in value.

3.10 Revenue recognition

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.

Service fee income

Revenue from service fee income is recognised over time upon the services have been performed and rendered.

3. Summary of significant accounting policies (Continued)

3.11 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;

(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 Company 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); or

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

4. Significant accounting judgements and estimates

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

4. Significant accounting judgements and estimates (Continued)

4.1 Key sources of estimation uncertainty

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

Provision for expected credit losses of trade receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 9.

The carrying amount of the Company's trade receivables as at 31 March 2023 was S$57,645 (2022 : Nil).

5. Revenue

	2023 S$	2022 S$
Type of revenue		
Service fee income	57,645	-
Timing of services rendered		
Over time	57,645	-

6. Employee benefits expenses

	2023 S$	2022 S$
Salaries, fees and allowances	39,600	-
CPF contributions	6,828	-
Recruitment expenses	3,072	-
	49,500	-

7. Other expenses

	2023 S$	2022 S$
Professional fees	2,706	2,091
Write off of GST receivables	1,072	-
Others	97	-
	3,875	2,091

8. Income tax expenses

Relationship between tax expenses and accounting loss

A reconciliation between tax expenses and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate is as follows:

	2023 S$	2022 S$
Profit/(loss) before tax	4,270	(2,091)
Tax at statutory rate of 17%	726	(355)
Non-deductible expenses	-	355
Effect of partial tax exemption and tax rebate	(574)	-
	152	-

9. Trade receivables

	2023 S$	2022 S$
Trade receivables		
- Related company	57,645	-

10. Cash

	2023 S$	2022 S$
Not restricted in use		
Cash at bank	1,366	-

11. Share capital

	Number of shares	Share capital S$
At 1 April 2021, 31 March 2022 and 31 March 2023	100	100

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

12. Trade payables

This comprise of one trade creditor.

13. Other payables and accruals

Other payables and accruals refer to amount due to third parties for rendering of statutory services.

14. Amount due to parent company

The amount due to parent company is non-trade related, interest free, unsecured and repayable on demand.

15. Amount due to related company

The amount due to related company is non-trade related, interest free, unsecured and repayable on demand.

16. Related party transactions

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

	2023 S$	2022 S$
Parent company		
Settlement of liabilities on behalf of the Company	-	14,431
Related company, a subsidiary of parent company		
Service fee income to related company	57,645	-
Advances and payment on behalf	(53,669)	-

17. Financial instruments by category

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

	2023 S$	2022 S$
Financial assets		
At amortised cost:		
- Trade receivables	57,645	-
- Cash	1,366	-
	59,011	-
Financial liabilities		
At amortised cost:		
- Trade payables	38,901	38,901
- Other payables and accruals	2,000	2,000
- Amount due to parent company	25,132	25,132
- Amount due to related company	53,669	-
	119,702	66,033

18. Fair value of financial instruments

The carrying values of the trade receivables, trade payables, other payables and accruals, amount due to parent company and amount due to related company are reasonable approximation of fair value due to their short term nature.

19. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks are credit risk and liquidity risk. The Company has no significant exposure to interest rate risk and foreign currency risk.

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

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

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from deposits for security deposit paid to third party service provider which is a reputable industry player.

<u>Exposure to credit risk</u>

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

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

Category	**Definition of category**	**Basis of recognising excepted credit loss ("ECL")**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

b) Liquidity risk

Liquidity or funding risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

19. Financial risk management objectives and policies (Continued)

b) Liquidity risk (Continued)

The Company's exposure to liquidity risk arises primarily from 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 stand-by credit facilities. The Company manages its liquidity risk by ensuring the availability of adequate funds to meet all its obligation in a timely and cost-effective manner.

Analysis of financial instruments by remaining contractual maturities

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

2023	Carrying amount S$	One year or less S$	Two to five years S$	Over five years S$
Financial assets:				
Trade receivables	57,645	57,645	-	-
Cash and cash equivalents	1,366	1,366	-	-
Total undiscounted financial assets	59,011	59,011	-	-
Financial liabilities:				
Trade payables	38,901	38,901	-	-
Other payables and accrual	2,000	2,000	-	-
Amount due to parent company	25,132	25,132		-
Amount due to related company	53,669	53,669	-	-
Total undiscounted financial liabilities	119,702	119,702	-	-
Total net undiscounted financial liabilities	(60,691)	(60,691)	-	-

2022	Carrying amount S$	One year or less S$	Two to five years S$	Over five years S$
Financial liabilities:				
Trade payables	38,901	38,901	-	-
Other payables and accrual	2,000	2,000	-	-
Amount due to parent company	25,132	25,132	-	-
Total undiscounted financial liabilities	66,033	66,033	-	-

20. Capital management

The primary objective of the Company's capital management is to safeguard the entity's ability to continue as a going concern. The management sets the amount of capital to meet its requirements and the risk taken.