

Financial Statements
Wardwizard Global Pte. Ltd.

For the financial year ended 31 March 2023

GSURE PAC

PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Company information

Company registration number	202229328R
Registered office	1 Cleantech Loop #02-26, cleantech one, Singapore 637141
Director	Gurazada Sri Vidya Lakshman Yatin Sanjay Gupte Avishek Kumar
Secretary	Ng Kian Tian
Bankers	United Overseas Bank
Auditor	Gsure PAC Public Accountants and Chartered Accountants 101 Upper Cross St, People's Park Centre #04-17 Singapore 058357

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Directors' statement

for the financial period from incorporation date 19 August 2022 to 31 March 2023

The directors submit this annual report to the members together with the audited financial statements of the Wardwizard Global Pte Ltd (the "Company") for the financial year ended 31 March 2023.

Opinion of the directors

In the opinion of the directors,

- (a) the 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 financial period ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; 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.

The Directors have, on the date of this statement, authorized these financial statements for issue.

Name of directors

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

Gurazada Sri Vidya Lakshman
Yatin Sanjay Gupte
Avishek Kumar

Arrangements to enable director to acquire shares or debentures

During and at the end of the financial year, the Company was not a party to any arrangement of which the object was to enable the director to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body.

Director's interest in shares or debentures

According to the Register of Director's Shareholdings kept by the Company under Section 164 of the Companies Act 1967, none of the director who held office at the end of the financial year was interested in shares or debentures of the Company, except as follows:

	<u>Direct interest</u>	
	<u>As at</u> <u>19.08.2022</u>	<u>As at</u> <u>31.03.2023</u>
Name of director		
<u>Ordinary share of the Holding Company @ RS 1 per share</u>		
Yatin Sanjay Gupte	9,248,8000	9,248,8000

Warwizard Global Pte. Ltd.

Directors' statement for the financial period from 19 August 2022 to 31 March 2023 2

Share options

No options to take up unissued shares of the Company were granted during the financial period.

No shares were issued during the financial period 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 period.

Independent auditor

The independent auditor, Gsure PAC, Chartered Accountants, has expressed its willingness to accept re-appointment, as auditors.

By the Directors



.....
Gurazada Sri Vidya Lakshman



.....
Yatin Sanjay Gupte

Dated: 28 April 2023

Independent auditor's report to the members of Wardwizard Global Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wardwizard Global Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period 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 financial period 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(b) in the financial statements, which indicates that the Company reported a net loss before tax of S\$100,332 and negative operating cash flow of S\$95,229 for the period ended 31 March 2023. At 31 March 2023, the Company has total negative equity of S\$90,332. As stated in Note 1(b), these events and conditions as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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 and will not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Wardwizard Global Pte. Ltd.

Other Information (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report to the members of Wardwizard Global Pte. Ltd.

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

- 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.



Gsure PAC
Public Accountants and
Chartered Accountants

Singapore, 28 April 2023

Statement of financial position as at 31 March 2023

	Note	2023 S\$
ASSETS		
Current Assets		
Cash and cash equivalents	3	31,441
Total assets		31,441
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	4	10,000
Retained earnings		(100,332)
Total equity		(90,332)
Non-Current Liabilities		
Borrowing	5	91,005
		91,005
Current Liabilities		
Amount owing to a director	6	25,665
Other payables	7	5,103
Provision for income tax		-
		30,768
Total liabilities		121,773
Total equity and liabilities		31,441

The accompanying notes form an integral part of these financial statements

Statement of profit or loss and other comprehensive income for the financial period from 19 August 2022 to 31 March 2023

	Note	For the period from 19 August 2022 to 31 March 2023 \$
Revenue		-
Cost of service rendered		-
Gross profit		-
Other income		10
Administrative and other operating expenses		(99,239)
Finance costs	8	(1,103)
Loss before taxation	9	(100,332)
Taxation		-
Loss for the period		(100,332)
Other comprehensive loss, at nil tax		-
Total comprehensive loss for the period		(100,332)

The accompanying notes form an integral part of these financial statements

Statement of changes in equity

for the financial period from 19 August 2022 to 31 March 2023

	Share capital S\$	Accumulated loss S\$	Total equity S\$
At 19 August 2022	10,000	-	10,000
<i>Total comprehensive income for the period:</i>			
- Profit for the year	-	(100,332)	(100,332)
Balance as at 31 March 2023	10,000	(100,332)	(90,332)

The accompanying notes form an integral part of these financial statements

Statement of cash flows

for the financial period from 19 August 2022 to 31 March 2023

	Note	2023 \$
Cash Flows from Operating Activities		
Loss before taxation		(100,332)
Adjustments for:		
Interest expense	8	1,103
Operating loss before working capital changes		(99,229)
Change in operating payables		4,000
Net cash used in operations		(95,229)
Interest received		-
Income tax paid		-
Net cash used in operating activities		(95,229)
Cash Flows from Financing Activities		
Proceeds from borrowings from holding company		92,108
Proceeds from issue of shares		10,000
Amount owing to a director		25,665
Interest payable		(1,103)
Net cash generated from financing activities		126,670
Net increase in cash and cash equivalents		31,441
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	3	31,441

The accompanying notes form an integral part of these financial statements

1 General information

The financial statements of the Company for the period ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a private limited company and domiciled in Singapore.

The registered office and principal place of business is located at 1 Cleantech Loop, #02-26 Cleantech One, Singapore 637141.

The principal activities of the Company are those of manufacturing of secondary batteries / lithium batteries.

The immediate and ultimate holding company is Wardwizard Innovation and Mobility Ltd which is incorporated in the Republic of India.

1(b) Going Concern

The Company reported a net loss before tax of S\$100,332 and negative operating cash flow of S\$95,229 for the period ended 31 March 2023. At 31 March 2023, the Company has total negative equity of S\$90,332.

Management believes the Company will have adequate working capital for its operations and to meet its obligations as the controlling shareholder, has given undertaking to provide continuing financial support to the Company and when they fall due at least twelve months after balance sheet date. The controlling shareholder has given undertaking to provide continuing financial support to the Company to meet its liabilities and its normal operating expenses to be incurred. Accordingly, management considers it appropriate that these financial statements are prepared on a going concern basis. In the event the controlling shareholder is not able to provide continuing financial support to the Company, the Company may be unable to continue as going concerns.

2(a) Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standards in Singapore (“FRS”) including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollar which is the Company’s functional currency. All financial information is presented in Singapore dollar, unless otherwise stated.

The accounting policies set out below have been applied consistently in these financial statements.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are

2(a) Basis of preparation (Cont'd)**Significant judgements in applying accounting policies (Cont'd)**

described below.

Determination of functional currency

These financial statements are presented in Singapore dollar (\$), which is the functional currency of the Company.

Determination of functional currency involves significant judgment. The functional currency of the Company is principally determined by the primary economic environment in which it operates.

The Company reconsiders their functional currency if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

Taxation

Significant judgement is involved in determining the provision for income taxes. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that have been initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(b) Interpretations and amendments to published standards effective in 2022

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

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued that are not yet effective but may be early adopted for the current financial year.

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 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
FRS 117 Insurance Contracts	1 January 2023
Amendments to FRS 116 Leases: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 presentation of Financial Statements: Non-current liabilities with Covenants	1 January 2024
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

2(c) FRS not yet effective (Cont'd)

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

2(d) Summary of significant accounting policies**Financial instruments****(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.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs.

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. Refer to the accounting policies in this section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

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 amortisation process.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

*Subsequent measurement (Cont'd)*Financial assets at amortised cost (debt instruments) (Cont'd)

Subsequent measurement of debt instruments depends on the Company's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets at amortised cost include cash and bank balances.

Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual of 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 and computed in the same manner as for financial assets measured at amortised cost. 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 derecognised.

The Company does not have financial assets which are measured at FVOCI.

Financial assets designated as fair value through other comprehensive income ("OCI") (equity instruments)

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument – by – instrument basis. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Company does not have financial assets are designed as FVOCI (equity instruments).

Financial assets fair value through profit and loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at

2(d) Summary of significant accounting policies (Cont'd)**Financial instruments (Cont'd)****(i) Financial assets (Cont'd)**Financial assets fair value through profit and loss (FVPL) (Cont'd)

fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. 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 statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Company does not have financial assets which are measured at FVPL.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "passthrough" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward-looking basis the ECLs associated with its debt instrument assets carried at amortised cost and FVOCI. 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 – months 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).

2(d) Summary of significant accounting policies (Cont'd)**Financial instruments (Cont'd)****(i) Financial assets (Cont'd)****Impairment of financial assets (Cont'd)**

For trade receivables, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL 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. The Company considers a financial asset in default when contractual payments are 90 days 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.

The Company does not have trade and other receivables.

(ii) Financial liabilities***Initial recognition and measurement***

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprise trade and other payables and borrowings, excluding goods and services tax payable.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Company's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Subsequent measurement

They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iii) Offset arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2(d) Summary of significant accounting policies (Cont'd)**(iv) Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that affects neither accounting or taxable profit or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits**Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans, such as the Singapore Central Provident Fund (“CPF”), are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2(d) Summary of significant accounting policies (Cont'd)**Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Director is considered key management personnel.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Impairment of non-financial assets

The carrying amounts of non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating-unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating-units). As a result, some assets are tested individually for impairment and some are tested at cash-generating-unit level.

Individual assets or cash-generating-units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Foreign currency

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates 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 reporting date are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

2(d) Summary of significant accounting policies (Cont'd)**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); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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.

3 Cash and cash equivalents

	2023 S\$
Cash at bank	31,441
Cash and cash equivalents in the statement of financial position	<u>31,441</u>

Cash and cash equivalents are denominated in the following currencies:

Singapore dollar	20,000
United states dollar	11,441
	<u>31,441</u>

4 Share capital

	Number of ordinary shares	2023 S\$
<u>Issued and fully paid, with no par value</u>		
At 19 August 2022	10,000	10,000
Issue of ordinary shares	-	-
At 31 March 2023	<u>10,000</u>	<u>10,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

5 Borrowing

	2023 S\$
Non-Current	
Loan from holding Company	<u>91,005</u>

Loan from holding company is at simple interest rate of 8.5% per annum and is repayable after 10 years.

Loan from holding company is denominated in Singapore dollar.

6 Amount owing to a director

Amount owing to a director pertains to advances from a director, is non-trade in nature, interest free, unsecured and is repayable on demand.

Amount owing to a director is denominated in Singapore dollar.

7 Other payables

	2023 S\$
<u>Other payables</u>	
Accrued operating expenses	4,000
Interest on loan from holding company	1,103
Total other payables	<u>5,103</u>

Other payables are denominated in Singapore dollar.

8 Finance costs

	From 19 August 2022 to 31 March 2023 S\$
Interest on loan from holding company	1,103
	<u>1,103</u>

9 Loss before taxation

The following items have been charged in arriving at loss before taxation:

	Note	From 19 August 2022 to 31 March 2023 S\$
<u>Staff costs</u>		
Key management personnel:		
- salaries		81,200
- CPF contributions		7,217
		<u>88,418</u>

10 Taxation

	From 19 August 2022 to 31 March 2023 S\$
Current tax:	
- Current tax for the year	-
- Under provision in respect of prior year	-
Current tax expense	-
Deferred tax:	
- Origination and reversal of temporary differences	-
Total tax expense in the statement of comprehensive income	-

Reconciliation of effective tax rate:

Loss before taxation	<u>100,332</u>
Tax at statutory rate of 17%	17,056
Effect on tax losses not recognised	<u>(17,056)</u>
	-

11 Related party transactions

Other than as disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed by respective parties during the financial year:

	2023 \$
Loan from holding Company	91,005
Interest payable to holding Company	1,103
Advances from a director	25,665
Director's salary and CPF (Note 9)	88,418

12 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The key financial risks included credit risk, foreign currency risk, interest rate risk, market price risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

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

The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

The Company's carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	2023
	S\$
<u>Financial assets</u>	
Cash and cash equivalents	31,441
	31,441
<u>Financial liabilities</u>	
Borrowing	91,005
Amount owing to a director	25,665
Other payables	5,103
	121,773

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 other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial position and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 30 days.

To minimise credit risk, the Company has developed and maintained the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

12 Financial risk management (Cont'd)**Credit risk (Cont'd)**

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payments.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
II	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is > 60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Company has no significant concentration of credit risk. The Company has no exposure to credit risk at the reporting date.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company does not expose to significant foreign currency risk as at the reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. At 31 March 2023 the Company has no exposure to variable interest rate risk.

Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Company is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

12 Financial risk management (Cont'd)**Liquidity risk**

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

The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Company maintains sufficient level of cash to meet its working capital requirement.

The undiscounted contractual cash flows of trade payables, advance from customer, accrued operating expenses and other payables are equivalent to their carrying amounts and are repayable within one year.

	Carrying amount \$	-----Contractual undiscounted cash flows-----			
		Total \$	Less than 1 year \$	Between 1 and 5 years \$	Over 5 years \$
At 31 March 2023					
Borrowing	91,005	168,359	-	-	168,359
Amount due to a director	25,665	25,665	25,665	-	-
Other payables	5,103	5,103	5,105	-	-
	121,773	199,127	30,770	-	-

The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Company maintains sufficient level of cash and cash equivalents to meet its working capital requirements.

13 Fair value measurement**Fair values of financial instruments**Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurements, as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3 : inputs for the asset or liability that are not based on observable market data.

Borrowings

The carrying amounts of borrowings from holding company approximate their fair values.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents and other payables) approximate their fair values because of the short period to maturity.

14 Capital management

The Company's objectives when managing capital are:

- (a) To safeguard the Company's ability to continue as a going concern;
- (b) To support the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Company currently does not adopt any formal dividend policy.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period.

The Company monitor capital using Gearing Ratio, which is calculated as net debt divided by total capital. Net debt is calculated as borrowings and lease liabilities plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	2023
	\$
Other payables	5,103
Amount owing to a director	25,665
Borrowing	91,005
Less:	
Cash and cash equivalents	(31,441)
Net debt (A)	90,332
Total equity (B)	(90,332)
Total capital and net debt (C)= (A) + (B)	-
Gearing ratio (A)/(C)	NM

NM: Not meaningful