

HCL SINGAPORE PTE. LTD.
Registration number: 198000284M

ANNUAL REPORT
For the Financial Year ended 31 MARCH 2023

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

CORPORATE INFORMATION

(at date of this report)

Shareholders	:	HCL Bermuda Limited HCL Technologies Limited
Directors	:	Ramanathan Srinivasan Shiv Kumar Walia
Secretary	:	Soh Wai Kun Janet Louisa
Auditors	:	KNAV Services LLP
Registered Office and Place of Business	:	8, Cross Street, #08-01 Manulife Tower, Singapore 048424

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DIRECTORS' STATEMENT

The directors present their statement to the shareholders together with the audited financial statements of the Company for the financial year ended 31 March 2023.

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards; 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.

1) DIRECTORS OF THE COMPANY

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

**RAMANATHAN SRINIVASAN
SHIV KUMAR WALIA**

2) ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3) DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, kept by the Company for the purposes of Section 164 of the Companies Act, 1967 (the "Act"), the directors holding office at the end of the financial year had interests in the shares or debentures of the Company and its related corporations as detailed below: -

<u>Name of the directors and respective companies in which interests are held</u>	<u>Direct interest</u>	
	<u>At beginning of the year or date of appointment</u>	<u>At end of the year</u>
<u>Ultimate Holding Company</u> <u>HCL Technologies Ltd</u>	<u>Number of ordinary shares</u>	
Sundaram Sridharan	24,208	24,208
<u>Vested ESOPs</u>		
Sundaram Sridharan	4,383	4,383
Shiv Kumar Walia	-	6,819

HCL SINGAPORE PTE. LTD.
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DIRECTORS' STATEMENT

4) **SHARE OPTIONS**

(a) Options to take up unissued shares

There were no share options granted to subscribe for unissued shares of the company.

(b) Options exercised

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.


(c) Unissued shares under option


There were no unissued shares of the company under option at the end of the financial year.

5) **INDEPENDENT AUDITORS**

The independent auditors, KNAV Services LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Directors,


.....
SHIV KUMAR WALIA
DIRECTOR
DATE: 27 July 2023


.....
RAMANATHAN SRINIVASAN
DIRECTOR
DATE: 27 July 2023



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(KNAV SERVICES LLP is
incorporated with limited
liability.)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HCL SINGAPORE PTE LTD
FOR FINANCIAL YEAR ENDED 31 MARCH 2023**

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of HCL Singapore Pte Ltd (the "Company"), which comprise the statement of financial position of the Company 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 year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this 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.



PARTNERS BEYOND BOUNDARIES

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HCL SINGAPORE PTE LTD
FOR FINANCIAL YEAR ENDED 31 MARCH 2023**

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 FRSSs, 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HCL SINGAPORE PTE LTD
FOR FINANCIAL YEAR ENDED 31 MARCH 2023**

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

- 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.

KNAV Services LLP

KNAV SERVICES LLP
Public Accountants and
Chartered Accountants

Singapore
27 July 2023

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Revenue	4	334,511,038	268,953,789
Cost of sales		(292,203,327)	(233,514,204)
Gross profit		<u>42,307,711</u>	<u>35,439,585</u>
Write-back of trade receivables		321,443	583,587
Other gains/(losses), net	6	61,728	(67,996)
<u>Other items of expenses</u>			
Marketing and distribution costs		(14,606,289)	(12,886,241)
Administrative expenses		(10,500,520)	(8,271,854)
Operating profit		<u>17,584,073</u>	<u>14,797,081</u>
Finance income	7	2,108,898	247,777
Finance cost	8	(445,910)	(160,216)
Profit before tax	5	<u>19,247,061</u>	<u>14,884,642</u>
Income tax expense	10	(2,405,631)	(2,745,085)
Profit after tax, representing total comprehensive income for the year		<u><u>16,841,430</u></u>	<u><u>12,139,557</u></u>

The annexed notes form an integral part of these financial statements

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2023

	<u>Note</u>	<u>2023</u> <u>S\$</u>	<u>2022</u> <u>S\$</u>
Assets			
Current assets			
Cash and cash equivalents	12	5,327,038	3,123,782
Trade receivables	13	91,179,028	75,247,162
Inventory	14	552,156	850,336
Other receivables, deposits and prepayments	15	30,055,674	33,248,836
Contract assets	4	9,682,124	8,093,160
Total current assets		136,796,020	120,563,276
Non-current assets			
Plant and equipment	16	2,393,958	3,058,385
Right of use assets	27	2,151,965	156,054
Intangible assets	17	5,842,533	6,167,962
Financial assets, at FVPL	19	12,664	12,664
Trade receivables	13	513,021	174,143
Other receivables, deposits and prepayments	15	3,226,917	4,608,284
Deferred income tax assets	11	12,974	-
Total non-current assets		14,154,032	14,177,492
Total assets		150,950,052	134,740,768
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Income tax liabilities	10	2,566,024	3,079,285
Trade payables	20	20,892,268	12,180,403
Other payables and accruals	21	42,586,505	44,049,516
Contract liabilities	20	14,356,192	15,214,489
Lease liabilities	27	1,038,695	185,274
Bank overdraft	12	-	4,806,995
Employee encashment compensated absence	22	1,888,360	3,038,821
Total current liabilities		83,328,044	82,554,783
Non-current liabilities			
Deferred income tax liabilities	11	-	75,799
Other payables and accruals	21	469,569	123,544
Contract liabilities	20	1,889,646	2,496,280
Lease liabilities	27	1,397,117	12,997
Employee encashment compensated absence	22	2,148,856	4,608,545
Total non-current liabilities		5,905,188	7,317,165
Total liabilities		89,233,232	89,871,948
Equity			
Capital and reserves attributable to owners of the parent			
Share capital	23	2,035,000	2,035,000
Retained earnings		59,579,777	42,731,777
Merger reserve		102,043	102,043
Total equity		61,716,820	44,868,820
Total equity and liabilities		150,950,052	134,740,768

The annexed notes form an integral part of these financial statements

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2023**

	Attributable to owners of the company			Total S\$
	Share Capital S\$	Retained Earnings S\$	Merger reserve S\$	
Balance as at 1 April 2021	2,035,000	39,179,920	102,043	41,316,963
Profit for the year, representing total comprehensive income for the year	-	12,139,557	-	12,139,557
Transactions with owners, recognised directly in equity				
Dividend paid (Note 26)	-	(8,587,700)	-	(8,587,700)
Total transactions with owners	-	(8,587,700)	-	(8,587,700)
Balance as at 31 March 2022	2,035,000	42,731,777	102,043	44,868,820
Total comprehensive income for the year				
Profit for the year, representing total comprehensive income for the year	-	16,841,430	-	16,841,430
Other Adjustment (Note 11)	-	6,570	-	6,570
Balance as at 31 March 2023	<u>2,035,000</u>	<u>59,579,777</u>	<u>102,043</u>	<u>61,716,820</u>

The annexed notes form an integral part of these financial statements

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2023

		<u>2023</u>	<u>2022</u>
		S\$	S\$
	Note		
Cash flows from operating activities			
Profit before tax		19,247,061	14,884,642
Adjustments for:-			
Depreciation for plant and equipment	16	1,331,705	1,546,190
Amortization for intangible assets	17	325,429	450,773
Depreciation for right of use assets	27	1,307,540	756,457
Interest income	7	(2,108,898)	(247,777)
Interest on lease liabilities	8	64,694	24,650
Impairment of trade receivables charged	13	(321,443)	(583,587)
Loss on disposal of plant and equipment	6	-	274
Unrealised foreign currency exchange loss, net	6	83,729	(1,511)
Operating cash flows before changes in working capital		<u>19,929,816</u>	<u>16,830,111</u>
Changes in working capital:-			
Contract assets		(1,598,679)	(2,990,813)
Contract liabilities		(1,464,932)	2,430,683
Trade receivables, other receivables, deposits and prepayments		(11,143,953)	(3,923,081)
Inventory		298,180	411,618
Trade payables, other payables and accruals		7,639,814	(4,422,945)
Employee encashment compensated absence		(3,610,149)	(597,111)
Cash generated from operations		<u>10,050,097</u>	<u>7,738,462</u>
Interest received from customer		132,535	110,042
Tax paid, net		(3,001,095)	(2,998,233)
Net cash generated from operating activities		<u>7,181,537</u>	<u>4,850,271</u>
Cash Flows from investing activities			
Purchase of plant and equipment	16	(667,278)	(967,872)
Short term loans (provided) to related parties, net		(404,900)	(488,300)
Interest received		1,976,363	727,623
Net cash generated from/(used in) investing activities		<u>904,185</u>	<u>(728,549)</u>
Cash Flows from financing activities			
Dividend paid	25	-	(8,587,700)
Payment of lease liabilities	27	(1,010,777)	(990,477)
Interest paid on lease liabilities	27	(64,694)	(24,650)
Net cash used in financing activities		<u>(1,075,471)</u>	<u>(9,602,827)</u>
Net increase/(decrease) in cash and cash equivalents		7,010,251	(5,481,105)
Cash and cash equivalents			
Beginning of the financial year		(1,683,213)	3,797,892
End of the financial year	12	<u>5,327,038</u>	<u>(1,683,213)</u>

The annexed notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Standards issued but not yet effective (continued)

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Company in the period of their initial adoption.

2.3 Holding Companies and Related Corporations

Holding Company

The immediate and ultimate holding company is HCL Technologies Limited, a company incorporated in India and listed on NSE (National Stock Exchange, Mumbai) and BSE (Bombay Stock Exchange).

Related Corporations

A related corporation 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 of joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Holding Companies and Related Corporations (continued)

The effect of the Company's transactions and arrangements with related parties is reflected in these financial statements.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

2.4 Group accounting

These financial statements are the separate financial statements of the Company. The Company is exempted from the requirement to prepare consolidated financial statements as the Company is a wholly owned subsidiary of the ultimate holding company in India, which produces consolidated financial statements available for public use. The registered office of the ultimate holding company, HCL Technologies Limited, is at 806 Siddharth, 96, Nehru Place, New Delhi – 110019, India. The basis on which the subsidiary is accounted for is disclosed in Note 2.5 to the financial statements.

2.5 Investment in a Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.6 Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Revenue Recognition(continued)

(a) Sale of equipment

Revenue from sale of equipment is recognised at a point in time when the customer obtains control and benefit over the asset. This generally coincides with delivery and acceptance.

(b) Service revenue – Development, installation and implementation of software

Revenue from rendering of services is recognised when the services are rendered over time. Where services are provided in stages, revenue is recognised using the percentage-of completion method based on the actual service provided as a proportion of the total services to be performed.

(c) Time-and-material contracts and recurring fixed billing contracts

The service revenue is recognised when the services are rendered and when the customer obtains control over time.

2.7 Plant and equipment

(a) Measurement

(i) Plant and equipment

All items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserves.

(b) Depreciation

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follows: -

	<u>No. of Years</u>
Computer equipment	4-5 Years
Computer software	3 Years
Furniture and fittings	5-7 Years
Office equipment and air-conditioners	5-10 Years

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

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other income and losses”.

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

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect to the assets.

2.8 Business combinations and goodwill

The Company accounts for business combinations using the acquisition method when control is transferred to the Company.

The Company measures goodwill at the date of acquisition as:

- The fair value of the consideration transferred; plus
- The recognised amount of any NCI in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Cost related to acquisition, other than those associated with the issue of debt or equity investments, that the Company incurs in connection with a business combination are expensed as incurred.

Goodwill that arises upon the acquisition of business is included in Intangible assets.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Business combinations and goodwill (continued)

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Common control business combination is accounted using the pooling of interest method where the Company is transferee. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor Company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statement of the transferor Company. The excess between the amount of consideration paid over the share capital of the transferor Company is recognised as a negative amount and the same is disclosed as capital reserve on business combination.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income and when the asset is derecognised.

The intangible assets are amortized over the estimated useful life of the assets except where amortization is in proportion to the expected benefits over the useful life which could range up to 10 years:

No. of Years

Customer relationship over 10 years in proportion of estimated revenue

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Instrument

(a) Financial assets

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The assets are subsequently measured at amortized costs using the effective interest method. The amortized costs are reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Instrument (continued)

(a) Financial assets (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Instrument (continued)

(a) Financial assets (continued)

(ii) Classification and subsequent measurement (continued)

Subsequent measurement and gains and losses

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Instrument (continued)

(b) Financial liabilities

(i) Initial recognition and measurement

The Company initially recognises financial liabilities on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

(ii) Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. 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. These financial liabilities comprise trade and other payables and other long-term payables (excludes long-term employee benefits).

(iii) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantively 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 non-cash transferred or liabilities assumed) is recognised in profit or loss.

(c) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment

(i) Non-derivative financial assets

The Company recognises an allowance for expected credit losses (ECLs) on financial assets measured at amortised cost, finance lease receivables and contract assets.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

General approach

The Company applies the general approach to provide for ECLs on all the other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment (continued)

(i) Non-derivative financial assets (continued)

Measurement of ECLs

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).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write off

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

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of economic resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Income Taxes

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 reporting date.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 Provisions, Contingent Liabilities and Contingent Assets.

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 when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred income tax is measured:

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

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 taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Current and deferred income taxes are recognised as income or expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts, where applicable. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, where applicable, assessments are made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.15 Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in Singapore Dollar, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

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 exchange 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. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities.

Foreign exchange gains and losses are presented in the income statement within "other income / losses – net". Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalized as an asset.

(i) Short-term employee benefits

These include wages, salaries, social security contributions, paid annual leave, paid sick leave, profit sharing, bonuses (if paid within twelve months of the end of the financial year) and other non-monetary benefits such as medical care, housing, cars and free or subsidized goods or services.

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 or profit-sharing plans 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.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specific portion of the unutilized accumulated compensated absences and utilized it in future periods or received cash at retirement or termination of employment. The expected cost of accumulated compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognised in the statement of profit and loss in the year in which the absences occur. Actuarial gains / losses are immediately taken to the statement or profit and loss are not deferred.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Lease

Definition of a lease

The Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

As a lessee

As a lessee, the Company leases many assets including property and IT equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under FRS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Lease (continued)

As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index

or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset.

If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies FRS 115 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in FRS 109 to the finance lease receivables (see Note 15). The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from FRS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.19 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.

2.20 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Judgments made in applying accounting policies

(a) Service revenue

The Company enters into contracts with customers that include promises to transfer both license and support services to the customer. Determining whether the license and support services are distinct require significant judgment. Judgment is also required in the allocation of the consideration to the distinct performance obligations. Where the stand-alone selling price is highly variable or not observable, publicly available price list is used to allocate the consideration to the performance obligations.

The Company uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

3.2 Key sources of estimation uncertainty

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

a) Impairment of loans and receivables and contract assets

Management reviews its loans and receivables for objective evidence of impairment, on a monthly basis. Significant financial difficulties to the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience or assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The expected allowance on the trade receivables and contract assets as at 31 March 2023 is S\$885,131 (2022: S\$1,206,574). Details of assumptions are disclosed in Note 13.

b) Employee encashment of compensated absence

The present value of the accrual for compensated absence depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for compensated absence include the discount rate. Any changes in assumptions will impact the carrying amount of compensated absence obligations.

NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 MARCH 2023

(continued)

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

3.2 Key sources of estimation uncertainty (continued)

b) Employee encashment of compensated absence (continued)

The Company determines the appropriate discount rate at the end of each period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the compensated absence obligations. In determining the appropriate discount rate, the Company considers the interest rates of high quality fixed interest bonds that are denominated in the currency in which the obligations will be paid, and that have terms to maturity approximating the terms of the related compensated absence liability.

Other key assumptions for compensated obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

c) Impairment of goodwill

The Company tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year (2022: S\$ Nil). The carrying amount of goodwill as at 31 March 2023 was S\$4,410,105 (2022: S\$4,410,105) (Note 18).

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	<u>2023</u> S\$	<u>2022</u> S\$
4 REVENUE	2023	2022
	S\$	S\$
(a) Disaggregation of revenue		
<p>The Company derives revenue from the transfer of goods and services over time and at a point in time in the following type of goods and services:</p>		
<u>Type of good or service</u>		
(a) Sale of equipment	4,082,616	5,739,777
(b) Sale of Services (Over time):-		
- Development, installation and implementation of software	129,479,606	122,025,587
- Time and material	127,298,262	80,770,603
- Recurring fixed billing for software services	73,650,554	60,417,822
	330,428,422	263,214,012
	334,511,038	268,953,789

The disaggregated revenue from customers by geographic area based on location of customer is as follows:

Singapore	278,853,955	214,998,609
USA	4,648,269	3,785,524
Rest of world	51,008,814	50,169,656
	334,511,038	268,953,789

Nature of goods and services

The following information reflects the typical transactions of the Company:

Nature of goods or services	Warranty	Timing of recognition or method used to recognised revenue	Significant payment terms
Sale of services	All services come with standard warranty terms of three months or reasonable time period after due notification from customer, under which customers are allowed to request for replacing the personnel performing the services whose performance is found to be	Revenue is recognised overtime as and when the services are performed.	Credit period of 30 to 90 days from invoice date
Sale of equipment	-	Revenue is recognised at a point in time when the requested goods are delivered.	Credit period of 30 to 90 days from invoice date

(b) Contract assets and liabilities

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified as contract assets in balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivable represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). (Refer to Note 13 Unbilled receivables)

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	2023	2022
	S\$	S\$
4 REVENUE (continued)		
(b) Contract assets and liabilities (continued)		
	Contract assets	
Particulars		
Balance, at beginning of financial year	8,093,160	5,102,384
Revenue recognised but not billed	2,894,894	3,928,839
Reduction on account of billing done during the year	(1,305,930)	(938,063)
Balance, at end of financial year	<u>9,682,124</u>	<u>8,093,160</u>
Contract liabilities : A contract liability arises when there is excess billing over the revenue recognised. (Refer to Note 20 Contract liabilities)		
	Contract liabilities	
Particulars		
Balance, at beginning of financial year	17,710,769	15,280,087
Additional amounts billed but not recognized as revenue	11,810,886	7,196,139
Deduction on account of revenues recognized during the year	(13,275,817)	(4,765,457)
Balance, at end of financial year (Note 20)	<u>16,245,838</u>	<u>17,710,769</u>
5 PROFIT BEFORE TAX	2023	2022
	S\$	S\$
Included in profit before tax are the following:		
Purchase of finished goods and services	172,837,229	137,731,919
Depreciation for plant and equipment (Note 16)	1,331,705	1,546,190
Amortization for intangible assets (Note 17)	325,429	450,773
Depreciation for right of use assets (Note 27)	1,307,540	756,457
Employee benefits expense (Note 9)	<u>132,598,819</u>	<u>108,244,439</u>
6 OTHER GAINS/(LOSSES), NET	2023	2022
	S\$	S\$
Loss on disposal of plant and equipment	-	(274)
Realised foreign currency exchange gain/(loss), net	122,351	(78,636)
Unrealised foreign currency exchange (loss)/gain, net	(83,729)	1,511
Other income	23,106	9,403
	<u>61,728</u>	<u>(67,996)</u>
7 FINANCE INCOME	2023	2022
	S\$	S\$
Interest income - loans to related corporations	437,326	121,744
Interest income - bank accounts	1,517,411	2,539
Interest income - customer receivables	132,535	110,042
Interest income - security deposits	21,626	13,452
	<u>2,108,898</u>	<u>247,777</u>
8 FINANCE COST	2023	2022
	S\$	S\$
Interest expense - bank accounts	144,753	9,460
Interest expense - lease liability	64,694	24,650
Interest - Others	95,462	6
Bank charges	141,001	126,100
	<u>445,910</u>	<u>160,216</u>

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	<u>2023</u>	<u>2022</u>
	S\$	S\$
9 EMPLOYEE BENEFITS EXPENSE	<u>2023</u>	<u>2022</u>
	S\$	S\$
(a) <u>Key Management Personnel</u>		
<p>The key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel comprises directors only, whose short-term employee benefits are disclosed below.</p>		
<u>Directors</u>		
Short-term employee benefits - directors of the Company	385,517	402,585
(b) <u>Employees</u>		
Short-term employee benefits	124,658,028	100,123,447
Employer's contribution to defined contribution plans	4,966,764	4,600,304
Leave compensation	2,588,510	3,118,103
	<u>132,213,302</u>	<u>107,841,854</u>
Total Employee Benefits Expense	<u>132,598,819</u>	<u>108,244,439</u>
10 INCOME TAXES	<u>2023</u>	<u>2022</u>
	S\$	S\$
(a) Income tax expense		
Tax expense attributable to profit is made up of:-		
Income tax (Note 10(c))		
- Current year	3,568,371	3,074,378
- (Over)/Under provision of income tax in prior year	(1,080,537)	25,380
- Others	-	(25,922)
	<u>2,487,834</u>	<u>3,073,836</u>
Deferred income tax (Note 11(a)) :		
- Current year	(82,203)	(328,751)
	<u>(82,203)</u>	<u>(328,751)</u>
Total income tax expense	<u>2,405,631</u>	<u>2,745,085</u>
(b) The tax expense on the profit for the financial period differs from the tax expense that would arise by applying the Singapore standard income tax rate to profit before tax due to the following :-		
Profit before income tax	19,247,061	14,884,642
Tax at the applicable tax rate of 17% (2022:17%)	3,272,000	2,530,389
Tax effect of items that are not deductible / (allowable) in determining taxable profit:		
Non-taxable items	(62,656)	(1,280)
Non-deductible items	294,249	208,021
Tax exemption	(17,425)	(17,425)
(Over)/Under provision of income tax in prior years	(1,080,537)	25,380
Tax charge	<u>2,405,631</u>	<u>2,745,085</u>

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	<u>2023</u>	<u>2022</u>
	<u>S\$</u>	<u>S\$</u>
10 INCOME TAXES (continued)		
(c) Movement in current income tax liabilities		
Balance, at beginning of financial year	3,079,285	2,977,760
Refund	-	41,988
Income tax paid	<u>(3,001,095)</u>	<u>(3,040,221)</u>
	78,190	(20,473)
(Over)/Under provision of income tax in prior years	(1,080,537)	25,380
Current financial year's tax	<u>3,568,371</u>	<u>3,074,378</u>
Balance, at end of financial year	<u><u>2,566,024</u></u>	<u><u>3,079,285</u></u>

11 DEFERRED TAXES

2023
S\$ 2022
S\$

(a) Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 17% (2022: 17%).

The movement on the deferred income tax account is as follows:-

Balance, at beginning of financial year	75,799	404,550
Recognised in profit or loss	(82,203)	(328,751)
Recognised in OCI	(6,570)	-
<u>Balance, at end of financial year</u>	<u>(12,974)</u>	<u>75,799</u>

(b) The movements in the deferred tax (assets) and liabilities (prior to offsetting of balances within the same jurisdiction) during the financial year are as follows:-

	Intangible assets	Right of use assets	Employee Provisions	Plant and equipment	Total
<u>2023</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Balance at beginning of financial year	298,836	(3,606)	(739,356)	519,925	75,799
Recognised in profit or loss	(55,323)	28,532	57,540	(112,953)	(82,203)
Other Adjustment			(6,570)		(6,570)
Balance at end of financial year	<u>243,513</u>	<u>24,926</u>	<u>(688,385)</u>	<u>406,972</u>	<u>(12,974)</u>
<u>2022</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Balance at beginning of financial year	413,496	10,526	(684,675)	665,203	404,550
Recognised in profit or loss	(114,660)	(14,132)	(54,681)	(145,278)	(328,751)
Balance at end of financial year	<u>298,836</u>	<u>(3,606)</u>	<u>(739,356)</u>	<u>519,925</u>	<u>75,799</u>

(c) Deferred tax (assets) and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the statement of financial position as follows:-

Deferred tax (assets)	(663,460)	(739,356)
Deferred tax liabilities	650,486	815,155
Net deferred tax liabilities/(assets)	<u>(12,974)</u>	<u>75,799</u>

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	<u>2023</u>	<u>2022</u>
	S\$	S\$
12 CASH AND CASH EQUIVALENTS		
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Cash and bank balances	5,327,038	3,123,782
Less: Bank overdraft	-	(4,806,995)
Cash and cash equivalents	<u>5,327,038</u>	<u>(1,683,213)</u>
There is bank overdraft amount of S\$ Nil (2022: S\$ 4,806,995) under a credit facility with bank. The facility has a right of set off against other positive cash balances. The facility attracts interest of S\$ overnight deposit rate (SDDR1T) plus 0.15% and is repayable on demand.		
13 TRADE RECEIVABLES		
	<u>2023</u>	<u>2022</u>
	S\$	S\$
These include the following:-		
<u>Trade receivables</u>		
Trade receivables - third parties	59,280,407	50,558,648
Less: Allowance for impairment loss (Note 13(iii))	(885,131)	(1,206,574)
Trade receivables – third parties, net	<u>58,395,276</u>	<u>49,352,074</u>
Ultimate holding company (Note 13(i))	1,167,677	1,643,044
Related corporations (Note 13(i))	11,962,060	8,188,961
Unbilled receivables - third parties	19,146,464	14,879,644
- ultimate holding company (Note 13(i))	465,251	1,165,363
- related corporations (Note 13(i))	42,300	18,076
Total trade receivables- current	<u>91,179,028</u>	<u>75,247,162</u>
<u>Non-Current</u>		
Unbilled receivables - third parties	513,021	174,143
Total trade receivables- Non current	<u>513,021</u>	<u>174,143</u>
Add:		
Other receivables, deposits and prepayments (Note 15)	33,282,591	37,857,120
Cash and cash equivalents (Note 12)	5,327,038	(1,683,213)
Less:		
Deferred cost and prepayments (Note 15)	(20,382,372)	(22,152,308)
Total loans and receivables	<u>109,919,306</u>	<u>89,442,904</u>
The trade receivables are non-interest bearing and are generally on 30 to 90 days terms (2022: 30 to 90 days terms). They are recognised at their original invoice amounts which represent their fair values on initial recognition.		
(i) Ultimate holding company and related corporations		
These represent amounts due for sales made to the ultimate holding company and related corporations. They are unsecured, interest-free and repayable under normal trading terms. The Company considers low credit risk for amount due from related corporations and ultimate holding company. Hence, no ECL has been provided.		
(ii) Receivables that are impaired		
Movements during the financial year are as follows:-		
Balance, at beginning of the financial year	1,206,574	1,790,161
Addition during the year	303,042	250,243
Write back during the year	(624,485)	(833,830)
Balance, at end of the financial year	<u>885,131</u>	<u>1,206,574</u>

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 March 2023

13 TRADE RECEIVABLES (continued)

(ii) Receivables that are impaired (continued)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral of credit enhancements.

(iii) Expected credit loss assessment

The Company uses an allowance matrix to measure ECLs of trade receivables (including contract assets) from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics- geographic region, age of customer relationship and type of product purchased.

Category	Description	Basis for recognizing expected
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is > 365 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

Set out below is the information about the credit risk exposure on the Company's trade receivables and unbilled receivables (including contract assets) using a provision matrix:

	Internal credit rating	12-month or lifetime ECL	Weighted average loss rate %	Gross carrying amount S\$	Impairment loss allowance S\$	Credit impaired
As at 31 March 2023						
Not Due	(i)	Life time ECL	0.12%	63,439,341	73,617	Yes
1 to 30 days	(i)	Life time ECL	0.71%	5,986,040	42,222	Yes
31 to 60 days	(i)	Life time ECL	1.19%	5,747,661	68,603	Yes
61 to 90 days	(i)	Life time ECL	1.74%	5,958,060	103,726	Yes
91 to 120 days	(i)	Life time ECL	2.38%	1,853,364	44,042	Yes
121 to 365 days	(i)	Life time ECL	7.45%	5,494,103	409,473	Yes
More than 365 days	(i)	Life time ECL	100.00%	143,448	143,448	Yes
Total			1.00%	88,622,017	885,131	

	Internal credit rating	12-month or lifetime ECL	Weighted average loss rate %	Gross carrying amount S\$	Impairment loss allowance S\$	Credit impaired
As at 31 March 2022						
Not Due	(i)	Life time ECL	0.04%	57,149,140	24,637	Yes
1 to 30 days	(i)	Life time ECL	0.29%	5,982,357	17,319	Yes
31 to 60 days	(i)	Life time ECL	0.53%	3,087,320	16,265	Yes
61 to 90 days	(i)	Life time ECL	0.94%	1,568,693	14,727	Yes
91 to 120 days	(i)	Life time ECL	1.48%	705,859	10,462	Yes
121 to 365 days	(i)	Life time ECL	5.89%	4,172,463	245,755	Yes
More than 365 days	(i)	Life time ECL	84.39%	1,039,763	877,409	Yes
Total			1.64%	73,705,595	1,206,574	

(i) For trade receivables and contract assets, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

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	<u>2023</u>	<u>2022</u>
	S\$	S\$
14 INVENTORY		
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Stock in trade	552,156	850,336
Inventories recognised as an expense in cost of sales	3,303,728	5,171,842
15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS		
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Third parties:-		
- Staff advances (Note 15(i))	324,569	3,651
- Finance Lease Receivables (Note 15(iii))	661,269	2,389,290
- Deposits	360,570	353,123
- Prepayments	3,600,508	2,572,067
- Deferred cost (Note 15(iv))	665,244	1,007,530
- Others	350,270	412,826
	<u>5,962,430</u>	<u>6,738,487</u>
Related parties		
- Short term loans (Note 15(ii))	8,797,500	9,215,500
- Interest receivables	731,721	698,422
- Prepayments	82,622	1
- Deferred cost - ultimate holding company	14,307,832	16,596,426
- related corporations	173,569	-
	<u>24,093,244</u>	<u>26,510,349</u>
Total other receivables, deposits and prepayments- current	<u>30,055,674</u>	<u>33,248,836</u>
<u>Non-Current</u>		
Finance Lease Receivables (Note 15(iii))	1,674,319	2,632,000
Deferred cost	771,345	1,170,882
Prepayments	781,253	805,402
Total other receivables, deposits and prepayments- non current	<u>3,226,917</u>	<u>4,608,284</u>
Other receivables have an average settlement term of six months (2022: six months).		
(i) <u>Staff advances</u>		
These are unsecured, non-interest bearing and repayable within the next twelve months (2022: twelve months).		
(ii) <u>Related corporation and Subsidiary - short term loans</u>		
This is unsecured, bearing London Interbank Offered Rate (LIBOR) plus + 100 basis points (BPS) (2022: (LIBOR) plus + 100 basis points (BPS)) rate of interest per annum and is repayable on demand.		
(iii) <u>Finance lease receivables</u>		
The Company leases various equipment and applicable software licenses for sublease, under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.		
The future minimum sublease payments expected to be received under non-cancellable sublease of equipment and applicable software licenses are as follows:-		
Gross receivable due:		
-Not later than one year	961,236	2,498,097
-Later than one year but within two years	981,914	1,514,140
-Later than two year but within three years	499,345	917,528
-Later than three year but within four years	207,083	335,918
-Later than four year but within five years	81,008	10,694
	<u>2,730,586</u>	<u>5,276,377</u>
Less: Unearned finance income	(394,998)	(255,087)
Net investment in finance lease	<u>2,335,588</u>	<u>5,021,290</u>
(iv) <u>Deferred cost</u>		
Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.		

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	<u>2023</u>	<u>2022</u>			
	S\$	S\$			
15 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)					
(b) The net investment in financial lease is analysed as follows:					
Not later than one year	661,269	2,389,290			
Later than one year but not later than five years	1,674,319	2,632,000			
	<u>2,335,588</u>	<u>5,021,290</u>			
16 PLANT AND EQUIPMENT	<u>2023</u>	<u>2022</u>			
	S\$	S\$			
	<u>Computer</u>	<u>Computer</u>	<u>Furniture and</u>	<u>Office</u>	<u>Total</u>
	<u>Equipment</u>	<u>Software</u>	<u>Fittings</u>	<u>Equipment /</u>	
				<u>Air-</u>	
				<u>Conditioner</u>	
	S\$	S\$	S\$	S\$	S\$
<u>Cost</u>					
Balance as at 1 April 2021	13,223,842	1,574,166	802,528	646,149	16,246,685
Additions	964,512	3,360	-	-	967,872
Adjustments	(4,564,993)	(148,809)	(7,734)	(24,328)	(4,745,864)
Reclassification	314	-	-	(314)	-
Balance as at 31 March 2022	<u>9,623,675</u>	<u>1,428,717</u>	<u>794,794</u>	<u>621,507</u>	<u>12,468,693</u>
Balance as at 1 April 2022	9,623,675	1,428,717	794,794	621,507	12,468,693
Additions	524,110	13,352	38,100	91,716	667,278
Balance as at 31 March 2023	<u>10,147,785</u>	<u>1,442,069</u>	<u>832,894</u>	<u>713,223</u>	<u>13,135,971</u>
<u>Accumulated Depreciation</u>					
Balance as at 1 April 2021	9,717,470	1,020,044	770,867	595,673	12,104,054
Charged for the year	1,297,166	215,076	23,931	10,017	1,546,190
Adjustments	(4,061,727)	(148,809)	(7,734)	(21,666)	(4,239,936)
Balance as at 31 March 2022	<u>6,952,909</u>	<u>1,086,311</u>	<u>787,064</u>	<u>584,024</u>	<u>9,410,308</u>
Balance as at 1 April 2022	6,952,909	1,086,311	787,064	584,024	9,410,308
Charged for the year	1,084,074	223,589	8,603	15,439	1,331,705
Balance as at 31 March 2023	<u>8,036,983</u>	<u>1,309,900</u>	<u>795,667</u>	<u>599,463</u>	<u>10,742,013</u>
<u>Net book value</u>					
As at 31 March 2022	<u>2,670,766</u>	<u>342,406</u>	<u>7,730</u>	<u>37,483</u>	<u>3,058,385</u>
As at 31 March 2023	<u>2,110,802</u>	<u>132,169</u>	<u>37,227</u>	<u>113,760</u>	<u>2,393,958</u>

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	<u>2023</u>	<u>2022</u>
	<u>S\$</u>	<u>S\$</u>
17 INTANGIBLE ASSETS		
	<u>Goodwill</u>	<u>Customer</u>
	<u>(Note 18)</u>	<u>relationship</u>
	<u>S\$</u>	<u>S\$</u>
		<u>Total</u>
		<u>S\$</u>
<u>COST</u>		
Balance as at 1 April 2021, 31 March 2022 and 2023	4,410,105	7,352,130
<u>ACCUMULATED DEPRECIATION</u>		
Balance as at 1 April 2021	-	733,395
Additions	-	450,773
Balance as at 31 March 2022	-	1,184,168
Balance as at 1 April 2022	-	1,184,168
Additions	-	325,429
Balance as at 31 March 2023	-	1,509,597
<u>NET BOOK VALUE</u>		
As at 31 March 2022	4,410,105	6,167,962
As at 31 March 2023	4,410,105	5,842,533

18 GOODWILL

Balance at beginning and end of financial year	4,410,105	4,410,105
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The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Value-in-use has been computed based on following key assumptions:

(a) Cash flows were projected based on the financial year ended 31 March 2023 actual operating results and the Company's 5-years business plan, with average net margin applied of 6% (2022: 6%) per annum for the years 2024 to 2028.

(b) The terminal value was estimated using the perpetuity growth model, with a weighted average growth rate to perpetuity of 1% (2022: 1%).

(c) A pre-tax discount rate of 4.62% (2022: 1.40%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on an industry average weighted average cost of capital.

This goodwill is attributable mainly to Company's ability to upgrade the products and enhance the sale of products to customers in existing business of the Company and targeting new customers. With regard to the assessment of value in use of this CGU, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of this CGU to differ materially from its recoverable amount except for the changes in the prevailing operating environment, the impact of which is not expected to be significant.

The valuation techniques used for measuring the fair value of intangible assets acquired were as follows:

Asset acquired	Valuation technique
Customer relationships	Multi-period excess earnings method. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships.

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	<u>2023</u>	<u>2022</u>
	S\$	S\$
19 FINANCIALS ASSETS AT FVPL		
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Unquoted equity investment	12,664	12,664
20 TRADE PAYABLES AND CONTRACT LIABILITIES		
	<u>2023</u>	<u>2022</u>
	S\$	S\$
These include the following:-		
Trade payables - third parties	8,089,460	7,868,702
- Ultimate holding company (Note 20(i))	8,904,173	-
- Related corporations (Note 20(i))	3,170,297	2,668,211
Trade advances received (Note 20(iii))	728,338	1,643,490
Total trade payables - current	<u>20,892,268</u>	<u>12,180,403</u>
Contract liabilities (Note 20(ii))	16,245,838	17,710,769
Total trade payables and contract liabilities	<u>37,138,106</u>	<u>29,891,172</u>
Add: Other payables and accruals (Note 21)	42,586,505	44,049,516
Employment encashment compensated absence (Note 22)	4,037,216	7,647,366
Less: Trade advance received (Note 20(iii))	(728,338)	(1,643,490)
Total financial liabilities and contract liabilities	<u>83,033,489</u>	<u>79,944,564</u>

Trade and other payables are non-interest bearing.

Trade payables are normally settled on 30 to 60 days terms (2022: 30 to 60 days).

(i) Ultimate holding company and related corporations

The trade balances arose from normal trade transactions. They are unsecured, interest-free and repayable on normal trading terms.

(ii) Contract liabilities

Current - third parties	14,356,192	15,214,489
Non-current - third parties	1,889,646	2,496,280
Total	<u>16,245,838</u>	<u>17,710,769</u>

These represent contract liabilities pertaining to signing of long term contracts for which revenue will be recognised over the future period and are not included in the profit or loss. The unpaid advance billings are reflected in the trade receivables.

(iii) Trade advances received

These represent trade advances received which will be used to set off against future sales contracts with customers.

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	<u>2023</u>	<u>2022</u>
	S\$	S\$
21 OTHER PAYABLES AND ACCRUALS	<u>2023</u>	<u>2022</u>
	S\$	S\$
These include the following:-		
Third parties (Note 21(i))	6,132,712	6,175,928
Ultimate holding company (Note 21(ii))	29,810,475	30,511,468
Related corporations (Note 21(ii))	248,990	298,875
	<u>36,192,177</u>	<u>36,986,271</u>
Accrued for:-		
Performance bonus	3,641,550	4,346,910
Other operating expenses	2,752,778	2,716,335
	<u>6,394,328</u>	<u>7,063,245</u>
Total other payables and accruals- current	<u>42,586,505</u>	<u>44,049,516</u>
ESOP - Ultimate holding company	353,191	123,544
Other financial liability	116,378	-
Total other payables and accruals- non current	<u>469,569</u>	<u>123,544</u>
(i) <u>Other payable- third parties</u>		
Other payables have an average term of six months (2022: six months).		
(ii) <u>Ultimate holding company and related corporations</u>		
The non-trade balances represent advances for working capital. They are unsecured, interest free and repayable on demand.		
22 EMPLOYEE ENCASHMENT COMPENSATED ABSENCE	<u>2023</u>	<u>2022</u>
	S\$	S\$
<u>Current</u>		
Employee encashment of compensated absence	1,888,360	3,038,821
<u>Non-current</u>		
Employee encashment of compensated absence	2,148,856	4,608,545
	<u>4,037,216</u>	<u>7,647,366</u>

The Company automatically encashes compensated absences exceeding 45 days by the employee upon completion of a full year service period and any remaining compensated absence less than 45 days is allowed to be carried forward to the next calendar year with no expiry. In addition, compensated absence of an employee upon resignation or retirement from the Company will be paid in accordance with the Company policy. However, leave accounting year is being changed w.e.f. January 1, 2023, whereby the number of leaves over & above 12 days as on December 31, 2022 has been encashed in January 2023 payroll as a one time payout. As per earlier policy, maximum carry forward leave balance was 45 days. Hence, with effect from January 1, 2023, maximum allowed opening balance would be 12 days and no encashment of leaves will happen on un-availed leaves after 31st December 2023 for active employees.

The actuarial valuation has been carried out using the Projected Accrued Benefit Method which is same as the Projected Unit Credit Method in respect of past service. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In addition, if encashment of leave on cessation of service is allowed as per the leave policy, the Defined Benefit Obligation is calculated taking into account all types of decrement and qualifying salary projected up to the assumed date of encashment. In calculating the Defined Benefit Obligation, we have not specifically valued any future leave encashment whilst the employee is in service with the Company

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	<u>2023</u>	<u>2022</u>
	S\$	S\$

22 EMPLOYEE ENCASHMENT COMPENSATED ABSENCE (continued)

Management has assumed a discount rate of 4.90% (2022: 1.92%) based on fixed interest Singapore government bonds. Further, a salary escalation rate of 3.50% (2022: 2.5%) was assumed taking into account inflation, seniority and other relevant factors. The pattern of availment of leave by employees of the Company assumed is 5.18% (2022: 4.5%) of the leave balance as at the reporting date and each subsequent year following the reporting date. In addition, management has adopted the Singapore lives mortality tables data in computing its actuarial liability.

23 SHARE CAPITAL

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Issued and fully paid:		
2,035,000 [2022 :2,035,000] ordinary shares	2,035,000	2,035,000

All issued ordinary shares are fully paid.

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

24 BANK GUARANTEES

At reporting date, the Company has given bank guarantees to its customers for deposits and performance bonds amounting to S\$16,571,093 (2022: S\$25,860,765).

25 DIVIDEND PAID

Interim dividend for the year 2021-2022 at S\$ 4.22 per share were paid on 28 June 2021	-	8,587,700
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26 RELATED PARTY TRANSACTIONS

During the financial year, the Company had the following significant transactions with its holding companies and related parties, at mutually agreed terms between the parties, as follows:-

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Income:-		
Sales to related corporations	24,690,789	20,808,210
Sales to ultimate holding company	5,603,703	7,471,504
Expenditure:-		
Purchases from / consulting charges by:-		
- Ultimate holding company	120,307,684	91,468,916
- Related corporations	16,777,857	13,173,914

Outstanding balances at 31 March 2023, arising from the above transactions are disclosed in Notes 13,15,20 and 21 to the financial statements.

The key management personnel comprise Directors whose short-term employment benefits are disclosed under Note 9 to the financial statements.

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FOR THE YEAR ENDED 31 March 2023

27 LEASES

As Lessee

The Company leases various buildings, IT equipment under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(a) Right-of-use assets

Particulars	Buildings S\$	IT equipment S\$	Total S\$
Balance as at 1 April 2021	1,092,849	24,878	1,117,727
Additions to right-of-use assets	-	5,987	5,987
Depreciation charge for the year	(742,742)	(13,715)	(756,457)
Derecognition	(209,416)	(1,787)	(211,203)
Balance as at 31 March 2022	140,691	15,363	156,054
Additions to right-of-use assets	2,845,740	457,711	3,303,451
Depreciation charge for the year	(890,277)	(417,263)	(1,307,540)
Balance as at 31 March 2023	<u>2,096,154</u>	<u>55,811</u>	<u>2,151,965</u>

(b) Lease liabilities

	2023 S\$	2022 S\$
Reconciliation of movements of liabilities to cash flows arising from financing activities:		
Balance as at 1 April	198,271	1,392,177
Additions to lease liabilities	3,248,317	5,987
Interest expenses on lease liabilities	64,694	24,650
Interest paid on lease liabilities	(64,694)	(24,650)
Payment of lease liabilities	(1,010,777)	(990,477)
Derecognition	-	(209,416)
Balance as at 31 March	<u>2,435,811</u>	<u>198,271</u>
Current	1,038,695	185,274
Non-current	1,397,117	12,997
	<u>2,435,812</u>	<u>198,271</u>

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March:

	2023 S\$	2022 S\$
Not later than one year	1,103,040	186,578
Later than one year but within two years	1,105,083	9,542
Later than two year but within three years	267,675	3,628
Later than three year but within four years	47,026	-
Later than four year but within five years	14,499	-
	<u>2,537,323</u>	<u>199,748</u>
Less: Imputed Interest	(101,511)	(1,477)
Total lease liabilities	<u>2,435,812</u>	<u>198,271</u>

(c) Amounts recognised in profit or loss

Interest on lease liabilities	64,694	24,650
Depreciation on right of use assets	1,307,540	756,457

NOTES TO THE FINANCIAL STATEMENTS
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FOR THE YEAR ENDED 31 March 2023

28 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors of the Company and ultimate holding company reviews and agrees policies and procedures for the management of these risks, which are executed by the local directors and the financial officers of the Company and ultimate holding company.

The undernoted 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.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets including cash and cash equivalents, the Company minimises the credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis resulting in the Company's exposure to bad debts are being insignificant.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position as disclosed under Note 13 to the financial statements.

No collateral is held for these receivables as these receivables are considered to be reputable and credit worthy.

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the country profile of its trade and other receivables on an ongoing basis. The credit risk concentration profile of the Company's trade and other receivables at the reporting date is as follows:-

	Mar-23		Mar-22	
	S\$	of Total	S\$	of Total
Singapore	88,687,145	85%	77,891,864	86%
United States of America	12,715,399	12%	10,956,362	12%
Rest of world	3,197,304	3%	2,277,891	2%
	<u>104,599,848</u>	<u>100%</u>	<u>91,126,117</u>	<u>100%</u>

*Excluding prepayment and deferred cost of S\$ 20,382,372 (2022: S\$ 22,152,308)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Company. None of the receivables from related corporations are past due or impaired.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 (trade receivables).

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS
(continued)
FOR THE YEAR ENDED 31 March 2023

28 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(a) Credit Risk (continued)

Non-trade amounts due from related corporations

The Company held other receivables from its related corporations (see note 15). These balances are lent to related corporations to satisfy short term funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12 month expected credit loss basis. The amount of the allowance on other receivables from its related corporations are negligible.

(b) Market Risk

(i) Market Price Risk

Market price 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 prices (other than interest or exchange rates). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) Foreign Currency Risk

The Company has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currency (Singapore Dollar) of the Company.

The Company's currency exposure are as follows:-

	Mar-23		
	USD stated in S\$	HKD stated in S\$	EURO stated in S\$
<u>Financial Assets</u>			
Trade and other receivables	12,715,399	-	3,132,562
Cash and cash equivalents	6,235,382	-	-
Total financial assets	<u>18,950,781</u>	<u>-</u>	<u>3,132,562</u>
<u>Financial Liabilities</u>			
Trade and other payables	3,274,185	13,062	421,242
Other financial liabilities	1,328,137	-	189,275
Total financial liabilities	<u>4,602,322</u>	<u>13,062</u>	<u>610,517</u>
Currency exposure on financial assets/ (liabilities)	<u>14,348,459</u>	<u>(13,062)</u>	<u>2,522,045</u>

NOTES TO THE FINANCIAL STATEMENTS
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28 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(b) Market Risk (continued)

(ii) Foreign Currency Risk (continued)

	Mar-22		
	USD stated in S\$	HKD stated in S\$	EURO stated in S\$
<u>Financial Assets</u>			
Trade and other receivables	10,956,362	-	2,244,839
Cash and cash equivalents	327,923	-	-
Total financial assets	11,284,285	-	2,244,839
<u>Financial Liabilities</u>			
Trade and other payables	2,227,970	113,530	289,983
Bank overdraft	4,806,995	-	-
Other financial liabilities	1,034,586	-	180,023
Total financial liabilities	8,069,551	113,530	470,006
Currency exposure on financial assets/ (liabilities)	3,214,734	(113,530)	1,774,833

Sensitivity analysis for foreign currency risk

A 3% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023 S\$	2022 S\$
USD	430,454	96,442
HKD	(392)	(3,406)
EURO	75,661	53,245

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its interest bearing asset (loans given to related parties).

The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit/(loss) for one year, based on the floating rate financial assets held at 31 March 2023.

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. There is no impact on the Company's equity.

	Increase/(decrease) in basis points	Effect on profit/(loss) for the year
2023	50 (50)	43,988 (43,988)
2022	50 (50)	46,078 (46,078)

(c) Liquidity Risk

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Directors manage the liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available. However, the Company does not maintain any financial asset to manage its liquidity risk.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Long term financial assets and financial liabilities approximate their fair value due to interest rates that approximate market rates charged on those financial assets and financial liabilities.

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28 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(c) Liquidity Risk (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Mar-23	Cash Flows		
	One year or less S\$	Two to five years S\$	Total S\$
Trade payables	20,163,930	-	20,163,930
Other payables and accruals	42,586,505	-	42,586,505
Lease liability	1,103,040	1,434,283	2,537,323
Employee encashment compensated absence	1,888,360	2,148,856	4,037,216
Total	65,741,835	3,583,139	69,324,974

Mar-22	One year or less S\$	Two to five years S\$	Total S\$
Trade payables	10,536,914	-	10,536,914
Other payables and accruals	44,049,516	-	44,049,516
Lease liability	186,578	13,170	199,748
Employee encashment compensated absence	3,038,821	4,608,545	7,647,366
Total financial liabilities	57,811,829	4,621,715	62,433,544

(d) Fair value of financial assets and financial liabilities

The following table represents assets and liabilities measured at fair value and classified by the following fair value measurement hierarchy :

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
 - (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
 - (iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).
- (iv) The following table present the assets measured at fair value at the reporting date:-

Mar-23	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets,				
FVPL :-				
-Equity securities	-	-	12,664	12,664
Total assets	-	-	12,664	12,664

Mar-22	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets,				
FVPL :-				
-Equity securities	-	-	12,664	12,664
Total assets	-	-	12,664	12,664

We have not disclosed further information based on insignificant impact on the financial statements.

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	2023	2022
	S\$	S\$
29 CAPITAL MANAGEMENT		
<p>The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.</p> <p>The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2023 and 31 March 2022.</p> <p>The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, trade and other payables, other liabilities, less cash and short-term deposits. Capital includes total equity.</p>		
	2023	2022
	S\$	S\$
Trade payables (Note 20)	37,138,106	29,891,172
Other payables (Note 21)	43,056,074	44,173,060
Lease liabilities (Notes 27)	2,435,812	198,271
Employee encashment compensated absence (Note 22)	4,037,216	7,647,366
Less: Cash and cash equivalents/Bank overdraft (Net) (Note 12)	(5,327,038)	1,683,213
Net debt	81,340,170	83,593,082
Total equity	61,716,820	44,868,820
Total capital	61,716,820	44,868,820
Capital and net debt	143,056,990	128,461,902
Gearing ratio (%)	57%	65%