

**HCL ASIA PACIFIC PTE. LTD.**  
**Registration No: 200202986R**

**DIRECTORS' STATEMENT  
AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

**HCL ASIA PACIFIC PTE. LTD.**  
**(Incorporated in Singapore)**

**CORPORATE INFORMATION**

(at date of this report)

Shareholder	:	HCL Technologies Limited
Directors	:	Goutam Rungta Tan Boon Hien Shiv Kumar Walia
Secretary	:	Nur Iman Binte Rohan
Auditor	:	KNAV Services LLP
Registered Office	:	7 Temasek Boulevard #37-01A Suntec Tower One Singapore 038987
Principal place of business	:	#08-01 Manulife Tower 8 Cross Street Singapore 048424

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**HCL ASIA PACIFIC PTE. LTD.**  
**DIRECTORS' STATEMENT**

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The directors present their statement to the member together with the audited financial statements of the Company for the financial period from 1 April 2024 to 31 December 2024.

**1) OPINION OF THE DIRECTORS**

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 December 2024, and the financial performance, changes in equity and cash flows of the Company for the financial period then ended; 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.

**2) DIRECTORS**

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

Goutam Rungta  
Tan Boon Hien  
Shiv Kumar Walia

**3) ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

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

**4) DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

According to the register of directors' shareholdings, kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), the directors holding office at the end of the financial period had an interest in the shares or debentures of the Company and its related corporations are detailed below:

<b><u>Name of directors and respective companies in which interests are held</u></b>	<b><u>Direct interest</u></b>		<b><u>Deemed interest</u></b>	
	<b><u>At beginning of the period or date of appointment</u></b>	<b><u>At end of financial period</u></b>	<b><u>At beginning of the period or date of appointment</u></b>	<b><u>At end of financial period</u></b>
<b><u>Ultimate Holding Company</u></b> <b><u>HCL Technologies Ltd</u></b>				
			<b><u>Number of ordinary shares</u></b>	
Goutam Rungta	35,386	40,003	11,330	11,330
Shiv Kumar Walia	-	2,561	-	-
<b><u>Vested ESOPs</u></b>				
Goutam Rungta	7,265	7,679	-	-
Shiv Kumar Walia	6,819	13,326	-	-

**5) SHARE OPTIONS**

(a) Options to take up unissued shares

There were no share options granted during the financial period to subscribe for unissued shares of the Company.

(b) Options exercised

There were no shares issued during the financial period 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 period.

**6) AUDITOR**

KNAV Services LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



.....  
**Shiv Kumar Walia**  
Director  
Date: 03 June 2025



.....  
**Goutam Rungta**  
Director  
Date: 03 June 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
HCL ASIA PACIFIC PTE. LTD.  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HCL Asia Pacific Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Company for the financial period ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
HCL ASIA PACIFIC PTE. LTD.  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 MEMBER OF  
HCL ASIA PACIFIC PTE. LTD.  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**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  
3 June 2025

**HCL ASIA PACIFIC PTE. LTD.**  
(Incorporated in Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

	Note	31 December 2024 S\$	31 March 2024 S\$
Revenue	4	14,165,019	15,970,870
Cost of sales		(12,139,790)	(14,320,652)
Gross profit		2,025,229	1,650,218
(Impairment)/write-back of trade receivables		(240,375)	32,290
Other gains/(losses)	6	142,566	(47,073)
<u>Other items of expenses</u>			
Administrative expenses		(489,586)	(499,364)
Other operating expenses		(423,264)	(122,479)
Operating profit		1,014,570	1,013,592
Finance income	7	26,067	12,555
Finance costs	8	(50,132)	(24,971)
<b>Profit before tax</b>	5	990,505	1,001,176
Income tax expense	10	(201,211)	(418,570)
<b>Profit after tax</b>		789,294	582,606
Foreign currency translation differences - foreign operations		(247,424)	(271,911)
<b>Total comprehensive income for the period/year</b>		541,870	310,695

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

**HCL ASIA PACIFIC PTE. LTD.**  
(Incorporated in Singapore)

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024**

	Note	31 December 2024 S\$	31 March 2024 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	2,517,346	4,645,040
Trade receivables	13	3,294,841	5,773,634
Inventories		27,833	69,562
Other receivables, deposits and prepayments	14	1,754,728	4,264,996
<b>Total current assets</b>		<b>7,594,748</b>	<b>14,753,232</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	188,503	189,606
Right-of-use assets	21	606,330	84,773
Intangible assets	16	131,871	55,009
Investment in a subsidiary	17	450,761	450,761
Other receivables, deposits and prepayments	14	2,571,593	3,125,240
Deferred tax assets	11	248,792	192,644
<b>Total non-current assets</b>		<b>4,197,850</b>	<b>4,098,033</b>
<b>Total assets</b>		<b>11,792,598</b>	<b>18,851,265</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Income tax payable	10	426,667	195,759
Trade payables	18	3,091,380	10,510,956
Borrowings	20	-	300,000
Lease liabilities	21	414,887	99,074
Other payables and accruals	19	1,494,175	2,033,611
<b>Total current liabilities</b>		<b>5,427,109</b>	<b>13,139,400</b>
<b>Non-current liabilities</b>			
Contract liabilities	18	5,267	12,435
Lease liabilities	21	143,490	21,753
<b>Total non-current liabilities</b>		<b>148,757</b>	<b>34,188</b>
<b>Total liabilities</b>		<b>5,575,866</b>	<b>13,173,588</b>
<b>Equity</b>			
<b>Equity attributable to owner of the Company</b>			
Share capital	22	100,000	100,000
Retained earnings		7,533,363	6,746,884
Foreign currency translation reserve	22	(1,416,631)	(1,169,207)
<b>Total equity</b>		<b>6,216,732</b>	<b>5,677,677</b>
<b>Total equity and liabilities</b>		<b>11,792,598</b>	<b>18,851,265</b>

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

**HCL ASIA PACIFIC PTE. LTD.**  
(Incorporated in Singapore)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

	Attributable to the owner of the Company			Total S\$
	Share capital S\$	Retained earnings S\$	Foreign currency translation reserve S\$	
<b>Balance as at 1 April 2023</b>	100,000	6,164,278	(897,296)	5,366,982
<b>Total comprehensive income for the year</b>				
Profit for the year	-	582,606	-	582,606
Foreign currency translation differences - foreign operations	-	-	(271,911)	(271,911)
<b>Total comprehensive income for the year</b>	-	582,606	(271,911)	310,695
<b>Balance as at 31 March 2024</b>	100,000	6,746,884	(1,169,207)	5,677,677
<b>Total comprehensive income for the period</b>				
Profit for the period	-	789,294	-	789,294
Share-based payments for employee share options*	-	(2,815)	-	(2,815)
Foreign currency translation differences - foreign operations	-	-	(247,424)	(247,424)
<b>Total comprehensive income for the period</b>	-	786,479	(247,424)	539,055
<b>Balance as at 31 December 2024</b>	100,000	7,533,363	(1,416,631)	6,216,732

\* Employee share options issued by the ultimate holding company

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

**HCL ASIA PACIFIC PTE. LTD.**  
(Incorporated in Singapore)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024**

	Note	31 December 2024 S\$	31 March 2024 S\$
<b>Cash flows from operating activities</b>			
Profit before tax		990,505	1,001,176
Adjustments:			
Depreciation of plant and equipment	15	41,732	33,533
Depreciation for right-of-use assets	21	370,247	73,552
Amortisation of intangible assets	16	11,286	15,393
Interest expense	8	46,451	19,991
Interest income	7	(26,067)	(12,555)
Write-down/ (reversal of write-down) of inventories		40,198	(43,032)
Impairment/(reversal of impairment) of trade receivables	13	240,375	(32,290)
Unrealised exchange gain		(464,466)	(242,744)
Operating cash flows before changes in working capital		1,250,261	813,024
Changes in working capital:			
Trade receivables		2,238,418	(879,523)
Other receivables, deposits and prepayments		3,063,915	533,535
Inventories		1,531	(1,292)
Trade payables		(7,419,576)	482,549
Other payables and accruals		(512,265)	(1,723,405)
Cash used in operations		(1,377,717)	(775,112)
Income tax paid/(refund), net	10	6,382	(5,739)
<b>Net cash used in operating activities</b>		<b>(1,371,335)</b>	<b>(780,851)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	15	(52,992)	(158,101)
Purchase of intangible assets	16	(91,773)	-
Interest received		26,067	12,555
<b>Net cash used in investing activities</b>		<b>(118,698)</b>	<b>(145,546)</b>
<b>Cash flows from financing activities</b>			
Repayments to the related companies	19,20	(328,278)	-
Payment of lease liabilities	21	(413,229)	(45,646)
Interest paid on lease liabilities	21	(34,981)	(2,577)
<b>Net cash used in financing activities</b>		<b>(776,488)</b>	<b>(48,223)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,266,521)</b>	<b>(974,620)</b>
Beginning of the financial period/year		4,645,040	5,641,808
Effect of exchange rate changes on cash and cash equivalents		138,826	(22,148)
<b>End of the financial period/year</b>	12	<b>2,517,346</b>	<b>4,645,040</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**1. CORPORATE INFORMATION**

The Company (Company Registration No: 200202986R) is a private limited company incorporated and domiciled in Singapore with its registered office at 7 Temasek Boulevard, #37-01A Suntec Tower One, Singapore 038987 and principal place of business at #08-01 Manulife Tower, 8 Cross Street, Singapore 048424.

The principal activities of the Company are rendering of information technology engineering services, software consultancy and development services and product sales. The Company has branch offices in Japan and South Korea. The principal activities of the branch offices are the same as the Company. During the financial period, the operations of its branch office in Japan has ceased and it has been closed.

The immediate and ultimate holding company is HCL Technologies Limited, a company incorporated in India.

The financial statements of the Company for the financial period ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors as at the date of the Directors' Statement.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars, which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

In the current financial period, the Company has adopted the new or revised FRSs and Interpretations to FRS (INT FRS) that are relevant to its operations and effective for the current financial period. The adoption of these new or revised FRSs and INT FRS did not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current period or prior financial years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.2 Standards issued but not yet effective**

The following are the new/revised/amendments to FRSs issued up to 31 December 2024 which are not yet effective and have not been applied in preparing these financial statements.

		<b>Effective date (annual periods beginning on or after)</b>
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
FRS 110, FRS 28	Effective Date of Amendments to FRS110 and FRS28	-
FRS 118	Presentation and Disclosure in Financial Statements	1 January 2027
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Statements	1 January 2026
Various	Annual Improvements to FRSs – Volume 11	1 January 2026
FRS 119	Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: Contracts Referencing Nature-dependent Electricity	1 January 2026

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

The Company does 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 company 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 (Mumbai 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.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 Holding company and related corporations (Continued)

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

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 Company. The Company 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 financial statements, investment in a subsidiary is accounted for at cost less any impairment losses.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**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. A performance obligation may be satisfied at a point in time or over time. 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.

**(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. 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.7 Property, plant and equipment**

**(a) Measurement**

**(i) Property, plant and equipment**

All items of property, 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 property, 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 property, plant and equipment that are transferred from the hedging reserves. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

**(b) Depreciation**

Depreciation is recognised from the date that the property, 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:

Furniture and fittings	5 - 7 Years
Computer equipment	4 - 5 Years

No depreciation is provided for capital work in progress.

The residual values estimated useful lives and depreciation methods of property, 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.

**(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.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.7 Property, plant and equipment (continued)**

**(d) Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or 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 property, 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. 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.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (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 their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised 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 profit and loss when the asset is derecognised.

The intangible assets are amortised over the estimated useful life of the assets as mentioned below.

Customer relationships	9 -10 years in proportion of estimated revenue
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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.10 Financial instruments**

**(a) Financial assets**

**i. Recognition and initial measurement**

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

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

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

**ii. Classification and subsequent measurement**

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; 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**

The Company does not have non-derivative assets measured at FVOCI and FVTPL.

A financial asset 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.

Financial assets at amortised cost comprise cash and cash equivalents and trade and other receivables.

The assets are subsequently measured at amortised costs using the effective interest method. The amortised 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial instruments (Continued)

(a) Financial assets (Continued)

ii. Classification and subsequent measurement (Continued)

**Financial assets at FVOCI**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

**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.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.10 Financial instruments (Continued)**

**(a) Financial assets (Continued)**

**ii. Classification and subsequent measurement (Continued)**

**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**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (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 realise the asset and settle the liability simultaneously.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (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.

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

#### 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.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (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 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.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (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 of has been reliably estimated.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.12 Provisions (Continued)**

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.

**2.13 Income taxes**

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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 except 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 utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the 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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2024 TO 31 DECEMBER 2024**

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.13 Income taxes (Continued)**

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.

**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 Foreign currency transactions and balances**

(i) 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) and financial liabilities.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss 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. However, foreign currency differences arising from the translation of the following items are recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.16 Employee benefits**

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised 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 subsidised 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 unutilised accumulated compensated absences and utilised 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.

**2.17 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.18 Leases**

**Definition of a lease**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

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

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.

Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. 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.

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.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.18 Leases (Continued)**

**As a lessee (Continued)**

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

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

**As a lessor**

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. As part of this assessment, the Company considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases where the Company has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "other receivables". The difference between the gross receivable and the present value of the lease receivable is unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease.

Initial direct costs incurred by the Company in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.18 Leases (Continued)**

**Lessor – Subleases**

In classifying a sublease, the Company as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Company derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor. When the sublease is assessed as an operating lease, the

Company recognises lease income from the sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

If an arrangement contains lease and non-lease components, the Company allocates the consideration based on a relative stand-alone selling price basis.

The Company applies the derecognition and impairment requirements in FRS 109 to the finance lease receivables (see Note 14). The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

**2.19 Dividends**

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

**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 market for identical assets or liabilities that the Company can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability

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.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**

**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.

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

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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 December 2024 is S\$ 244,414 (31 March 2024: S\$17,615). Details of assumptions are disclosed in Note 13.

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	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>4 REVENUE</b>		
(a) Disaggregation of revenue		
The Company derives revenue from the transfer of goods and services at a point in time and over time in the following type of goods and services:		
<u>Type of goods and services</u>		
(i) Sale of equipment	249,283	210,400
(ii) Services		
- Development, installation and implementation of software	9,771,151	11,364,413
- Time and material	2,281,323	2,356,999
- Recurring billings for software services	1,863,262	2,039,058
	<b>14,165,019</b>	<b>15,970,870</b>

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

Korea	9,816,456	11,940,855
USA	12,736	360,458
Rest of world	4,335,827	3,669,557
	<b>14,165,019</b>	<b>15,970,870</b>

Nature of goods and services

The following information reflects the transactions of the Company:

Nature of goods or services	Warranty	Timing of recognition or method used to recognise revenue	Significant payment terms
Services	All services come with standard warranty terms of three months or reasonable time period after due notification from customers, under which customers are allowed to request for replacing the personnel performing the services whose performance is found to be unsatisfactory.	Revenue is recognised overtime as and when the services are performed.	Credit period of 30 to 90 days from invoice date
Sale of equipment	All equipment comes with standard warranty terms of reasonable time period, under which customers are allowed to request for repair or replacement with the original suppliers of the 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 liabilities

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognised.

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
Balance as at 1 April	3,293,325	4,483,692
Additional amounts billed but not recognised as revenue	595,476	3,382,919
Deduction on account of revenues recognised during the period/year	(2,900,877)	(4,573,286)
Balance as at end of period/year	<b>987,924</b>	<b>3,293,325</b>

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	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>5 PROFIT BEFORE TAX</b>		
Included in profit before tax are the following:		
Consulting charges	7,704,098	9,013,431
Outsourcing costs	1,404,066	1,227,058
Purchase of finished goods and services	307,913	228,172
Short-term leases	43,837	58,009
Employee benefits expense (Note 9)	2,555,872	3,659,700
	<u>2,555,872</u>	<u>3,659,700</u>
<b>6 OTHER GAINS/LOSSES</b>		
Foreign exchange gains/(losses)	142,566	(47,073)
	<u>142,566</u>	<u>(47,073)</u>
<b>7 FINANCE INCOME</b>		
Interest income - receivables	11,340	12,388
Interest income - others	14,727	167
	<u>26,067</u>	<u>12,555</u>
<b>8 FINANCE COSTS</b>		
Bank charges	3,681	4,980
Interest expense - lease liabilities	34,981	2,577
Interest expense - loans	11,470	17,414
	<u>50,132</u>	<u>24,971</u>
<b>9 EMPLOYEE BENEFITS EXPENSE</b>		
Short-term employee benefits	2,450,569	3,299,064
Employer's contribution to defined contribution plans including Central Provident Fund	105,303	360,636
	<u>2,555,872</u>	<u>3,659,700</u>
<b>10 INCOME TAX EXPENSE</b>		
(a) Income tax expense		
Tax expense attributable to profit is made up of:		
Current income tax	274,111	202,161
Deferred income tax (Note 11(a)):		
Movement in taxable temporary differences	(57,201)	213,372
	<u>216,910</u>	<u>415,533</u>
Under provision of income tax in prior years	584	259
(Over)/under provision of deferred tax in prior years	(16,283)	2,778
Income tax expense	<u>201,211</u>	<u>418,570</u>

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	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>10 INCOME TAX EXPENSE (continued)</b>		
(b) The tax expense on the profit for the financial period differs from the tax expense that would arise by applying the Singapore's corporate tax rate to profit before tax due to the following:		
Profit before tax	990,505	1,001,176
Tax at the applicable tax rate of 17% (31 March 2024:17%)	168,386	170,200
Tax effect of items that are not deductible / (allowable) in determining taxable profit:		
Non-deductible items	9,867	13,848
Tax exemption	-	(17,425)
Tax rebate	-	(40,000)
Effect of tax rates in foreign jurisdictions	33,537	288,677
Under provision of income tax in prior years	584	259
(Over)/under provision of deferred tax in prior years	(16,283)	2,778
Others	5,120	233
Total income tax expense	201,211	418,570
(c) The movements in income tax payable are as follows:		
Balance at beginning of financial period/year	195,759	(921)
Income tax paid	(7,372)	(75,944)
	188,387	(76,865)
Under provision of income tax in prior years	584	259
Current financial year's tax payable	268,991	202,161
Foreign withholding tax	(23,528)	(6,401)
Foreign currency translation differences	(21,521)	8,552
Refund from the tax rebate	13,754	68,053
Balance at end of financial period/year	426,667	195,759
<b>11 DEFERRED TAX ASSETS</b>		
(a) Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 17% (31 March 2024: 17%).		
The movements in the deferred tax assets are as follows:		
Balance at beginning of financial period/year	192,644	412,992
Movement in taxable temporary differences	57,201	(213,372)
Over/(under) provision of deferred tax in prior years	16,283	(2,778)
Foreign currency translation differences	(17,336)	(4,198)
Balance at end of financial period/year	248,792	192,644

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**11 DEFERRED TAX ASSETS (continued)**

(b) The detailed movements in the deferred tax assets are as follows:

Deferred tax assets

<u>31 December 2024</u>	<u>Employee provisions</u>	<u>Property, plant and equipment</u>	<u>Carry forward losses</u>	<u>Other provisions</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$
Balance at beginning of financial period	(135,938)	(4,342)	(426)	(51,938)	(192,644)
Charge/(write-back) - current year	(11,398)	1,680	734	(48,217)	(57,201)
Charge/(write-back) - prior year	-	537	(9,967)	(6,853)	(16,283)
Foreign currency translation differences	10,745	226	(49)	6,414	17,336
Balance at end of financial period	<u>(136,591)</u>	<u>(1,899)</u>	<u>(9,708)</u>	<u>(100,594)</u>	<u>(248,792)</u>
<u>31 March 2024</u>	<u>Employee provisions</u>	<u>Property, plant and equipment</u>	<u>Carry forward losses</u>	<u>Other provisions</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$
Balance at beginning of financial year	(104,993)	(7,212)	(209,681)	(91,106)	(412,992)
Charge/(write-back) - current year	(31,195)	787	28,370	215,410	213,372
Charge/(write-back) - prior year	(2,209)	1,994	180,312	(177,319)	2,778
Foreign currency translation differences	2,459	89	573	1,077	4,198
Balance at end of financial year	<u>(135,938)</u>	<u>(4,342)</u>	<u>(426)</u>	<u>(51,938)</u>	<u>(192,644)</u>

**12 CASH AND CASH EQUIVALENTS**

	<u>31 December 2024</u>	<u>31 March 2024</u>
	S\$	S\$
Cash at banks*	2,517,346	4,645,040
Cash and cash equivalents	<u>2,517,346</u>	<u>4,645,040</u>

\*Included in above is receipt in transit of S\$328,735 from the Company's related party as at 31 December 2024 which was subsequently received on 2 January 2025.

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	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>13 TRADE RECEIVABLES</b>		
<u>Trade receivables</u>		
Trade receivables - third parties	2,113,546	3,642,352
Less: Allowance for impairment loss (Note 13(iii))	(244,414)	(17,615)
Trade receivables - third parties, net	1,869,132	3,624,737
Unbilled revenue - third parties	307,605	474,258
Unbilled revenue - ultimate holding company	12,097	213,275
Unbilled revenue - related companies	550,081	122,500
Ultimate holding company (Note 13(i))	14,829	-
Related companies (Note 13(i))	541,097	1,338,864
<b>Total trade receivables</b>	<b>3,294,841</b>	<b>5,773,634</b>
<b>Add:</b>		
Other receivables, deposits and prepayments (Note 14)	4,326,321	7,390,236
Cash and cash equivalents (Note 12)	2,517,346	4,645,040
<b>Less:</b>		
Deferred costs and prepayments (Note 14)	(3,666,145)	(6,654,129)
<b>Total financial assets at amortised cost</b>	<b>6,472,363</b>	<b>11,154,781</b>

The trade receivables are non-interest bearing and are generally on 30 to 90 days terms (31 March 2024 : 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 companies

These represent amounts due for sales made to the ultimate holding company and related companies. They are unsecured, interest-free and repayable under normal trading terms. The Company considers low credit risk for amount due from related companies and ultimate holding company. Please refer to Note 24(a) for the related ECL assessment.

(ii) Receivables that are impaired

The carrying amount of third party trade receivables individually determined to be impaired at the reporting date and the movements of the allowance account used to record the impairment are as follows:

Trade receivables - nominal amounts	244,414	17,615
Less: Allowance for impairment loss	(244,414)	(17,615)
	-	-

The movements are as follows:

	<b>Individual impaired</b>	<b>Individual impaired</b>
Balance at beginning of period/year	17,615	59,253
(Write-back)/addition during the period/year	240,375	(32,290)
Foreign currency translation differences	(13,576)	(9,348)
Balance at end of the period/year	244,414	17,615

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 or credit enhancements. Other receivables are impaired on an average term of six months.

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**31 December 2024**    **31 March 2024**  
**S\$**                                **S\$**

**13 TRADE RECEIVABLES (continued)**

(iii) Expected credit loss (ECL) assessment

The Company uses an allowance matrix to measure ECLs of trade receivables from third party 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 which include geographic region, age of customer relationship and type of goods and services.

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 from third parties using a provision matrix:

**As at 31 December 2024**

	Internal credit rating	12-month or lifetime ECL	Weighted average loss rate %	Gross carrying amount S\$	Impairment loss allowance S\$	Credit impaired
Not Due	(a)	Life time ECL	0.12%	1,782,731	2,163	No
1 to 30 days	(a)	Life time ECL	0.56%	287,421	1,615	No
31 to 60 days	(a)	Life time ECL	1.07%	24,097	258	No
61 to 90 days	(a)	Life time ECL	1.80%	458	8	No
91 to 365 days	(a)	Life time ECL	25.78%	245,923	63,391	Yes
More than 365 days	(a)	Life time ECL	219.79%	80,521	176,979	Yes
<b>Total</b>			<b>10.09%</b>	<b>2,421,151</b>	<b>244,414</b>	

**As at 31 March 2024**

	Internal credit rating	12-month or lifetime ECL	Weighted average loss rate %	Gross carrying amount S\$	Impairment loss allowance S\$	Credit impaired
Not Due	(a)	Life time ECL	0.02%	3,030,008	582	No
1 to 30 days	(a)	Life time ECL	0.09%	244,647	230	No
31 to 60 days	(a)	Life time ECL	0.18%	263,068	483	No
61 to 90 days	(a)	Life time ECL	0.30%	314,106	946	No
91 to 365 days	(a)	Life time ECL	1.38%	249,866	3,452	Yes
More than 365 days	(a)	Life time ECL	79.93%	14,915	11,922	Yes
<b>Total</b>			<b>0.43%</b>	<b>4,116,610</b>	<b>17,615</b>	

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	31 December 2024	31 March 2024
	S\$	S\$
<b>13 TRADE RECEIVABLES (continued)</b>		
<p>(a) 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.</p>		
<b>14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS</b>		
Third parties	1,029	1,512
Finance lease receivables (Note 14 (ii))	142,489	142,742
Advances to related companies (Note 14 (i))	-	4,740
Sundry deposits	14,339	14,399
Prepayments	202,455	94,284
Deferred cost - third parties (Note 14 (iii))	509,882	438,378
Deferred cost - related companies (Note 14 (iii))	884,534	3,568,941
<b>Total other receivables, deposits and prepayments (current)</b>	<b>1,754,728</b>	<b>4,264,996</b>
Finance lease receivables (Note 14 (ii))	195,640	211,919
Deferred cost - third parties (Note 14 (iii))	2,066,480	2,547,526
Sundry deposits	306,679	360,795
Prepayments	2,794	5,000
<b>Total other receivables, deposits and prepayments (non-current)</b>	<b>2,571,593</b>	<b>3,125,240</b>
<p>Other receivables have an average settlement term of six months (31 March 2024: six months).</p>		
(i) Advances to related companies		
<p>The advances are given for operations. They are unsecured, interest-free and repayable on demand.</p>		
(ii) Finance lease receivables		
<p>The Company leases various equipment and applicable software licenses for sublease, under non-cancellable finance lease agreements. The leases have varying terms, escalation clauses and renewal rights.</p>		
<p>The future minimum sublease payments expected to be received under non-cancellable sublease of equipment and applicable software licenses are as follows:</p>		
<b>a) Gross receivable due:</b>		
-Not later than one year	153,454	150,521
-Later than one year but within two years	122,085	124,538
-Later than two year but within three years	54,943	67,470
-Later than three year but within four years	21,693	29,690
-Later than four year but within five years	5,650	524
-Later than four year but within six years	382	-
	358,207	372,743
Less: Unearned finance income	(20,078)	(18,082)
Net investment in finance leases	338,129	354,661

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	31 December 2024	31 March 2024		
	S\$	S\$		
<b>14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)</b>				
b) The net investment in finance leases is analysed as follows:				
- Not later than one year	142,489	142,742		
- Later than one year but within five years	195,640	211,919		
	338,129	354,661		
(iii) Deferred cost				
Deferred cost primarily represents the contract fulfilment cost and cost for obtaining the contract.				
<b>15 PROPERTY, PLANT AND EQUIPMENT</b>				
	<b>Leasehold Improvements</b>	<b>Furniture and Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	S\$	S\$	S\$	S\$
<u>Cost</u>				
Balance as at 1.4.2023	10,714	14,745	269,777	295,236
Additions	-	-	158,101	158,101
Write-off	-	-	(1,516)	(1,516)
Translation differences	-	-	(6,755)	(6,755)
<b>Balance as at 31.3.2024</b>	<b>10,714</b>	<b>14,745</b>	<b>419,607</b>	<b>445,066</b>
<u>Cost</u>				
Balance as at 1.4.2024	10,714	14,745	419,607	445,066
Additions	-	-	52,992	52,992
Translation differences	-	-	(31,565)	(31,565)
<b>Balance as at 31.12.2024</b>	<b>10,714</b>	<b>14,745</b>	<b>441,034</b>	<b>466,493</b>
<u>Accumulated depreciation</u>				
Balance as at 1.4.2023	10,714	14,745	202,389	227,848
Charge for the year	-	-	33,533	33,533
Write-off	-	-	(1,516)	(1,516)
Translation differences	-	-	(4,405)	(4,405)
<b>Balance as at 31.3.2024</b>	<b>10,714</b>	<b>14,745</b>	<b>230,001</b>	<b>255,460</b>
Balance as at 1.4.2024	10,714	14,745	230,001	255,460
Charge for the year	-	-	41,732	41,732
Translation differences	-	-	(19,202)	(19,202)
<b>Balance as at 31.12.2024</b>	<b>10,714</b>	<b>14,745</b>	<b>252,531</b>	<b>277,990</b>
<u>Carrying amount</u>				
As at 31.3.2024	-	-	189,606	189,606
As at 31.12.2024	-	-	188,503	188,503

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**16 INTANGIBLE ASSETS**

	<b>Customer Relationships S\$</b>
<b>Cost</b>	
<b>Balance as at 1.4.2023</b>	146,802
Translation differences	(2,702)
<b>Balance as at 31.3.2024</b>	<b>144,100</b>
Additions	91,773
Translation differences	(10,841)
<b>Balance as at 31.12.2024</b>	<b>225,032</b>
 <u>Accumulated amortisation</u>	
Balance as at 1.4.2023	75,327
Charge for the year	15,393
Translation differences	(1,629)
<b>Balance as at 31.3.2024</b>	<b>89,091</b>
Charge for the year	11,286
Translation differences	(7,216)
<b>Balance as at 31.12.2024</b>	<b>93,161</b>
 <u>Carrying amount</u>	
As at 31.3.2024	55,009
As at 31.12.2024	131,871

The table below shows the values and lives of intangible assets recognised on acquisition:

Asset description	Amount (S\$)	Life (Years)	Basis of amortisation
Customer relationships	171,539	10	In proportion of estimated revenue

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**16 INTANGIBLE ASSETS (continued)**

During the year, the Company has purchased the following intangible asset from Hewlett Packard Korea Ltd.

S\$

Customer relationship 91,773

The table below shows the values and lives of intangible assets recognised on acquisition which will be amortised as follows:

Asset description	Amount (S\$)	Life (Years)	Basis of amortization
Customer relationships	91,773	9	In proportion of estimated revenue

**17 INVESTMENT IN A SUBSIDIARY**

	31 December 2024	31 March 2024
	S\$	S\$
Unquoted equity investment at cost	450,761	450,761
	450,761	450,761

(i) Details of the subsidiary are as follows:-

<u>Name of Subsidiary</u>	<u>Principal Activity</u>	<u>Place of Business / Country of Incorporation</u>	<u>Cost</u>		<u>Percentage of equity held and effective shareholding</u>	
			<u>31 December 2024</u>	<u>31 March 2024</u>	<u>31 December 2024</u>	<u>31 March 2024</u>
			S\$	S\$	%	%
Shanghai You Hua Engineering Machinery Design Co. Ltd	Design of engineering, machinery, technical consulting services*	People's Republic of China	450,761	450,761	100	100

\* The subsidiary is in the process of liquidation as of the reporting date.

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	31 December 2024 S\$	31 March 2024 S\$
<b>18 TRADE PAYABLES</b>		
Trade payables - third parties	469,970	474,834
Ultimate holding company (Note 18(i))	1,228,218	5,681,431
Related companies (Note 18(i))	291,443	1,073,342
Contract liabilities (Note 18(ii))	982,657	3,280,890
Advances - third parties (Note 18(iii))	119,092	-
Advances - related companies (Note 18(iv))	-	459
	<b>3,091,380</b>	<b>10,510,956</b>
Other payables and accruals (Note 19)	1,494,175	2,033,611
<b>Trade and other payables (current)</b>	<b>4,585,555</b>	<b>12,544,567</b>
Contract liabilities (Note 18(ii))	5,267	12,435
<b>Trade and other payables (non-current)</b>	<b>5,267</b>	<b>12,435</b>
<b>Total trade and other payables</b>	<b>4,590,822</b>	<b>12,557,002</b>
<b>Less:</b>		
Contract liabilities (Note 18(ii))	(987,924)	(3,293,325)
<b>Total financial liabilities at amortised cost</b>	<b>3,602,898</b>	<b>9,263,677</b>

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 days terms (31 March 2024: 30 to 60 days).

(i) Ultimate holding company and related companies

The trade balances arose from normal trade transactions. They are unsecured, interest-free and repayable on normal trading terms which generally varies from 90 to 180 days.

(ii) Contract liabilities

These amounts represent advances received and receivable upon signing of long term contracts and the undue proportion of the annual maintenance contracts. These amounts are not recognised in the profit or loss.

(iii) Advances from third parties

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

(iv) Advances from related companies

The advances are received for operations. They are unsecured, interest-free and repayable on demand.

**19 OTHER PAYABLES AND ACCRUALS**

Other payables:		
Third parties	637,599	734,793
Related companies	1,998	18,806
	<b>639,597</b>	<b>753,599</b>
Accruals:		
Performance bonus	123,071	144,170
Staff benefits payable	493,363	457,815
Share-based payment for employee share options	18,131	16,828
Other operating expenses	220,013	661,199
	<b>854,578</b>	<b>1,280,012</b>
<b>Other payables and accruals (current)</b>	<b>1,494,175</b>	<b>2,033,611</b>

Reconciliation of the movements of liabilities to cash flows arising from financing activities:

	31 December 2024 S\$	31 March 2024 S\$
Balance as at 1 April	18,806	1,392
Interest accrued	11,470	17,414
Payment of interest	(28,278)	-
<b>Balance at the end of the period/year</b>	<b>1,998</b>	<b>18,806</b>

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	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>20 BORROWINGS</b>		
Related companies	-	<u>300,000</u>

The Company entered into unsecured short-term loan facility agreement with HCL Singapore Pte. Ltd. for an amount of S\$ 300,000 with interest of SOFR rate + 50 bps per annum. This loan was intended for the Company's working capital and it has been repaid during the current period.

Reconciliation of the movements of liabilities to cash flows arising from financing activities:

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
Balance as at 1 April	300,000	300,000
Repayment of borrowings	(300,000)	-
Balance at the end of the period/year	<u>-</u>	<u>300,000</u>

**21 LEASES**

**As Lessee**

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

**(a) Short-term leases**

The lease entered into by the Company is in the nature of short term lease for which the Company has elected the option of not recognising the right-of-use assets and associated lease liabilities. All the rentals relating to such short-term lease have been recognised in the profit or loss. The total lease expense for the current period is S\$43,837 (31 March 2024: S\$58,009).

**(b) Right-of-use assets**

	<b>Building and IT equipment</b>	<b>Total</b>
<b>Particulars</b>	<b>S\$</b>	<b>S\$</b>
Balance as at 1 April 2023	135,262	135,262
Additions to right-of-use assets	24,393	24,393
Depreciation charge for the year	(73,552)	(73,552)
Translation differences	(1,330)	(1,330)
Balance as at 31 March 2024	<u>84,773</u>	<u>84,773</u>
Additions to right-of-use assets	881,331	881,331
Depreciation charge for the period	(370,247)	(370,247)
Translation differences	10,473	10,473
<b>Balance as at 31 December 2024</b>	<b><u>606,330</u></b>	<b><u>606,330</u></b>

**(c) Lease liabilities**

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
Current	414,887	99,074
Non-current	143,490	21,753
	<u>558,377</u>	<u>120,827</u>

Reconciliation of the movements of liabilities to cash flows arising from financing activities:

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
Balance as at 1 April	120,827	144,011
Additions to lease liabilities	841,064	24,393
Interest expenses on lease liabilities	34,981	2,577
Interest paid on lease liabilities	(34,981)	(2,577)
Payment of lease liabilities	(413,229)	(45,646)
Translation differences	9,715	(1,931)
<b>Balance at the end of the period/year</b>	<b><u>558,377</u></b>	<b><u>120,827</u></b>

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

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
Not later than one year	437,999	100,437
Later than one year but within two years	142,235	17,740
Later than two year but within three years	2,579	3,677
Later than three year but within four years	-	818
	<u>582,813</u>	<u>122,672</u>
Less: Imputed interest	(24,436)	(1,845)
Total lease liabilities	<u>558,377</u>	<u>120,827</u>

**(d) Amounts recognised in profit or loss**

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
Interest on lease liabilities	34,981	2,577
Depreciation on right-of-use assets	<u>370,247</u>	<u>73,552</u>

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	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>22 SHARE CAPITAL AND FOREIGN CURRENCY TRANSLATION RESERVE</b>		
<b>Share capital</b>		
Issued and fully paid:		
100,000 (31 March 2024: 100,000) ordinary shares	100,000	100,000
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.		
<b>Foreign currency translation reserve</b>		
The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the branches whose functional currency is different from that of the Company's presentation currency.		
<b>23 RELATED COMPANY TRANSACTIONS</b>		
In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and its related parties at terms mutually agreed between the parties concerned :		
<b>Income:</b>		
Services		
- ultimate holding company	30,665	360,186
- related companies	5,164,527	3,473,894
<b>Expenditure:</b>		
Services		
- ultimate holding company	(4,920,987)	(7,655,705)
- related companies	(2,783,111)	(1,357,726)
Interest expense		
- related companies	(11,470)	(17,414)
Insurance expense		
- ultimate holding company	(33)	(175)

Outstanding balances at 31 December 2024, arising from the above transactions are disclosed in Notes 13,14,18,19 and 20 to the financial statements.

**24 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 and foreign currency risk.. The board of directors of the Company and the 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 the 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.

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**24 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)**

(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 in 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 on-going basis. The credit risk concentration profile of the Company's trade and other receivables\* at the reporting date is as follows:-

	<b>31 December 2024</b>		<b>31 March 2024</b>	
	<b>S\$</b>	<b>%</b>	<b>S\$</b>	<b>%</b>
Singapore	217,022	5%	49,401	1%
United States of America	1,093,534	28%	1,775,859	27%
Japan	-	0%	1,908	0%
Korea	2,644,462	67%	4,682,573	72%
	<b>3,955,018</b>	<b>100%</b>	<b>6,509,741</b>	<b>100%</b>

\*Excluding prepayments and deferred cost of S\$ 3,666,145 (31 March 2024: S\$ 6,654,129)

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 companies 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).

Trade and non-trade amounts due from related companies

The Company held trade and other receivables from its related companies, as disclosed in Note 13 and 14. 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 companies are negligible.

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**24 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)**

(a) Credit Risk (continued)

Cash and cash equivalents

The Company held cash and cash equivalents with reputable banks.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company consider that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

(b) Market Risk

(i) Foreign Currency Risk

The branches of the Company have transactional currency exposures arising from sales and purchases that are denominated in currencies (Japanese Yen, US Dollar and Korean Won) other than the functional currency of the Company.

The Company's currency exposure are as follows:

	<b>31 December 2024</b>		
	<b>USD</b>	<b>JPY</b>	<b>KRW</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<u>Financial Assets</u>			
Trade and other receivables	1,093,534	-	2,343,207
Other financial assets	-	-	316,018
Cash and cash equivalents	328,735	-	1,633,817
Total financial assets	1,422,269	-	4,293,042
<u>Financial Liabilities</u>			
Trade and other payables	1,671,984	-	2,030,704
Other financial liabilities	225,352	-	570,079
Total financial liabilities	1,897,336	-	2,600,783
Net currency exposure	(475,067)	-	1,692,259

	<b>31 March 2024</b>		
	<b>USD</b>	<b>JPY</b>	<b>KRW</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<u>Financial Assets</u>			
Trade and other receivables	1,775,859	1,082	4,336,664
Other financial assets	-	826	369,368
Cash and cash equivalents	-	924,010	3,649,962
Total financial assets	1,775,859	925,918	8,355,994
<u>Financial Liabilities</u>			
Trade and other payables	5,789,751	-	5,022,527
Other financial liabilities	279,386	-	937,927
Total financial liabilities	6,069,137	-	5,960,454
Net currency exposure	(4,293,278)	925,918	2,395,540

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**24 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)**

(b) Market Risk (continued)

(i) Foreign Currency Risk (Continued)

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.

	<b>31 December 2024</b>	<b>31 March 2024</b>
	<b>S\$</b>	<b>S\$</b>
USD	(14,252)	(128,798)
JPY	-	27,778
KRW	50,768	71,866
	50,768	71,866

(ii) 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 financial instrument (loans from related companies).

The following table demonstrates the changes of profit or loss to reasonably possible changes in interest rates, with all other variables held constant.

	<b>Increase/(decrease)</b>	<b>Effect on profit/ (loss)</b>
<b>31 December 2024</b>	50	-
	(50)	-
<b>31 March 2024</b>	50	(1,500)
	(50)	1,500

(c) Liquidity Risk

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Company manages 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 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.

	<b>Cash flows</b>		
	<b>One year or less</b>	<b>Two year or more</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>31 December 2024</b>			
Trade payables	2,108,723	-	2,108,723
Other payables and accruals	1,494,175	-	1,494,175
Lease liabilities	437,999	144,814	582,813
Borrowings	1,998	-	1,998
Total	4,042,895	144,814	4,187,709
<b>31 March 2024</b>			
Trade payables	7,229,607	-	7,229,607
Other payables and accruals	2,033,611	-	2,033,611
Lease liabilities	100,437	22,235	122,672
Borrowings	318,806	-	318,806
Total	9,682,461	22,235	9,704,696

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**24 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)**

(d) Fair value of financial assets and financial liabilities

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. Their 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.

**25 CAPITAL MANAGEMENT**

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.

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 period/year ended 31 December 2024 and 31 March 2024.

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 cash equivalents. Capital includes total equity.

	<u>31 December 2024</u>	<u>31 March 2024</u>
	S\$	S\$
Trade payables - current (Note 18)	3,091,380	10,510,956
Trade payables- non current (Note 18)	5,267	12,435
Other payables and accruals (Note 19)	1,494,175	2,033,611
Lease liabilities (Notes 21)	558,377	120,827
Borrowings (Notes 20)	-	300,000
Less Cash and cash equivalents (Note 12)	<u>(2,517,346)</u>	<u>(4,645,040)</u>
<b>Net debt</b>	<u>2,631,853</u>	<u>8,332,789</u>
Total equity	<u>6,216,732</u>	<u>5,677,677</u>
<b>Total capital</b>	<u>6,216,732</u>	<u>5,677,677</u>
<b>Capital and net debt</b>	<u>8,848,585</u>	<u>14,010,466</u>
<b>Gearing ratio (%)</b>	<u>30%</u>	<u>60%</u>

**26 EVENTS AFTER THE REPORTING DATE**

There were no material events between the reporting date and the date of authorisation of the financial statements.

**27 COMPARATIVE INFORMATION**

The current financial period comprises 9 months from 1 April 2024 to 31 December 2024 as the Company changed its financial year end from 31 March to 31 December pursuant to directors' resolution which was approved on 19 September 2024.

The audited comparative figures presented in the financial statements are not entirely comparable as they cover a period from 1 April 2023 to 31 March 2024.