

EXPLEO SOLUTIONS PTE. LTD.

(Company Registration No. 200107523G)

Financial Statements for the Year Ended

31st March 2025

Directors

Sabat Anup Ranjan	
Tangirala Srinivasa Phani	(Appointed on 01.09.2024)
Vasanthi d/o Jeyabalan	
Balaji Viswanathan	(Resigned on 31.08.2024)

Secretary

N Sriram

Registered Office

1 North Bridge Road
#19-08 High Street Centre
Singapore 179094

Auditors

Natarajan & Swaminathan LLP
Chartered Accountants of Singapore
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

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Directors' Statement*For the financial year ended March 31, 2025*

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2025.

1 Directors

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

Sabat Anup Ranjan

Tangirala Srinivasa Phani

Vasanthi d/o Jeyabalan

2 Arrangements to enable directors to acquire shares and debentures

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

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act.

4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Directors' Statement

For the financial year ended March 31, 2025

5 Auditors

The auditors, Natarajan & Swaminathan LLP, have expressed their willingness to accept re-appointment.

6 Directors' opinion

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 March 31, 2025 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors

Tangirala Srinivasa Phani

Vasanthi d/o Jeyabalan

Date: May 14, 2025

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF EXPLEO SOLUTIONS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **EXPLEO SOLUTIONS PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2025, 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 year then ended, and notes to the financial statements, including a summary of 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 (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

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Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSA). 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 set out on pages 1 to 2.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 AUDITORS' REPORT
TO THE SHAREHOLDERS OF EXPLEO SOLUTIONS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
(Incorporated in the Republic of Singapore)

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 FRS, 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.

Auditors' 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 SSA 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 SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF EXPLEO SOLUTIONS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**
(Incorporated in the Republic of Singapore)

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

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Natarajan & Swaminathan LLP
Public Accountants and Chartered Accountants Singapore**

Date: May 14, 2025

Statement of Financial Position

As at March 31, 2025

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		S\$	S\$
Assets			
Non-current assets			
Plant and equipment	3	-	376
Deferred tax assets	4	2,310	-
Total non-current assets		<u>2,310</u>	<u>376</u>
Current assets			
Trade receivables	5	1,032,734	673,007
Other receivables	6	2,022,321	2,087,076
Prepayment		1,570	6,382
Cash at bank		969,589	728,057
Total current assets		<u>4,026,214</u>	<u>3,494,522</u>
Total assets		<u>4,028,524</u>	<u>3,494,898</u>
Equity and liabilities			
Equity			
Share capital	7	100,000	100,000
Accumulated profits		<u>2,817,256</u>	<u>2,618,574</u>
Total equity		<u>2,917,256</u>	<u>2,718,574</u>
Current liabilities			
Trade payables and accruals	8	757,503	513,198
Other payables	9	215,302	194,689
Provision for incentive and other expenses	10	29,336	32,669
Contract liability	11	92,319	12,095
Income tax payable		<u>16,808</u>	<u>23,673</u>
Total current liabilities		<u>1,111,268</u>	<u>776,324</u>
Total liabilities		<u>1,111,268</u>	<u>776,324</u>
Total equity and liabilities		<u>4,028,524</u>	<u>3,494,898</u>

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

Statement of Comprehensive Income

For The Financial Year Ended March 31, 2025

	Note	<u>2025</u>	<u>2024</u>
		S\$	S\$
Revenue	12	970,176	1,022,627
Other income	13	138,220	164,450
Salaries and employee benefits	14	(579,484)	(699,426)
Depreciation of plant and equipment	3	(376)	(1,213)
Other operating expenses		(321,747)	(248,875)
Profit before income tax	15	<u>206,789</u>	<u>237,563</u>
Income tax expense	16	(8,107)	(25,785)
Profit after income tax		<u>198,682</u>	<u>211,778</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>198,682</u>	<u>211,778</u>

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

Statement of Changes in Equity*For The Financial Year Ended March 31, 2025*

	Share capital	Accumulated profits	Total
	S\$	S\$	S\$
Balance as at 01.04.2023	100,000	2,406,796	2,506,796
Total comprehensive income for the year	-	211,778	211,778
Balance as at 31.03.2024	100,000	2,618,574	2,718,574
Total comprehensive income for the year	-	198,682	198,682
Balance as at 31.03.2025	100,000	2,817,256	2,917,256

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

Statement of Cash Flows

For The Financial Year Ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Cash flows from operating activities		
Profit before income tax	206,789	237,563
Adjustments for:		
Interest income	(136,220)	(157,007)
Depreciation of plant and equipment	376	1,213
Provision	<u>123,563</u>	<u>120,754</u>
Operating profit before working capital changes	194,508	202,523
Trade receivables	(359,727)	(173,354)
Other receivables and prepayment	69,567	(1,186)
Trade payables and accruals	244,305	310,680
Other payables	20,613	41,324
Provision paid	(126,896)	(128,686)
Contract liability	<u>80,224</u>	<u>(903)</u>
Cash generated from operations	122,594	250,398
Interest received	136,220	111,922
Income tax paid	<u>(17,282)</u>	<u>(14,303)</u>
Net cash from operating activities	<u>241,532</u>	<u>348,017</u>
Net increase in cash and cash equivalents	241,532	348,017
Cash and cash equivalents brought forward	728,057	380,040
Cash and cash equivalents carried forward	<u>969,589</u>	<u>728,057</u>
Cash and cash equivalents comprise:		
Cash at bank	969,589	728,057
	<u>969,589</u>	<u>728,057</u>

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

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Registration No. 200107523G) is a private limited Company incorporated and domiciled in Singapore.

The registered office of the Company is located at 1, North Bridge Road, #19-08 High Street Centre, Singapore 179094.

The principal activities of the Company are to provide software testing and related consulting services and placement of software professionals.

There have been no significant changes in the nature of these activities during the financial year.

Holding company

The Company is a wholly owned subsidiary of "**Expleo Solutions Limited**", a limited company incorporated in India. The ultimate holding companies are **Assystem S.A**, a company listed in Euronext Paris and **Ardian LBO Fund VI B**, a private equity fund, registered in France.

2 Material accounting policy information**a) Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act 1967. The financial statements are expressed in Singapore Dollar (S\$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on April 1, 2024. The adoption of these standards did not have any material effect on the financial statements of the Company.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)****b) Critical judgements in applying the entity's accounting policies**

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for expected credit losses of trade and other receivables

The Company assesses the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, any probable receivables in dispute and past history of bad debts. Accordingly the Company measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant. The assessment of the estimated 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.

c) Foreign currency transactions*(i) Functional currency*

The functional currency of the Company is Singapore Dollar, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)****d) Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives at the following:

Computer & peripherals - 33.33%

f) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)****g) Financial instruments**

Financial instruments comprise financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

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

Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

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

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses ("FVOCI")
- Financial assets elected at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss ("FVPL")

The Company's relevant financial assets category are financial assets at amortised cost.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)**g) **Financial instruments (Cont'd)**(i) **Financial assets (Cont'd)**Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes trade and other receivables.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)**g) **Financial instruments (Cont'd)**(i) **Financial assets (Cont'd)***Impairment of financial assets (Cont'd)*

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

The Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include trade payables and accruals and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

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

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)****g) Financial instruments (Cont'd)****(ii) Financial liabilities (Cont'd)*****Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position 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. Where 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 as a finance cost.

j) Contract liability

Contract liability relate to the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability is recognised as revenue when the Company performs under the contract.

k) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers, if any.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)****k) Revenue recognition (Cont'd)**

A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Company provides software testing and related consulting services and placement of software professionals. Revenue from software testing service is recognised as and when services are rendered over the time period, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

Revenue related to fixed price contracts whereby performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses, is recognised in accordance with the percentage of completion method (PCM). The input (efforts expended) method is used to measure progress towards completion, as there is a direct relationship between input and productivity. This input is measured by costs incurred to date over the budgeted cost to complete the contracts.

Costs are recorded as incurred over the contract period. Any revision in cost to complete would result in increase or decrease in revenue and income and such changes are recorded in the period in which they are identified.

For services accounted for under the PCM method, cost and earnings in excess of billing are classified as contract assets (unbilled revenue), while billing in excess of cost and earnings are classified as contract liabilities (deferred revenue).

Revenue from placement of software professionals for software testing are recognised on monthly basis in accordance with the rates and terms of the contracts with customers. Services rendered to the holding company are billed at cost plus margin as per Transfer Pricing Agreement.

The amount of revenue recognised is based on the transaction price, which comprise the contractual price and variable considerations. The variable consideration included in the revenue is volume discount. The expected volume discounts rebates are analysed on a per customer basis whose contracts are subject to various volume threshold. The Company determines whether a customer will be likely entitled to rebate by calculating the customers' purchases to date, and analyzing the historical purchases patterns and rebates entitlement to determine the expected rebate per contract and the expected value of the variable consideration.

l) Other income

The other income is recognised on the following basis:

Government grant

Government grant is recognised upon receipt basis.

Interest income

Interest income is recognised using the effective interest method.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**2 Material accounting policy information (Cont'd)****m) Employee benefits***Retirement benefit costs*

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

n) Leases**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.

o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

p) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

2 Material accounting policy information (Cont'd)

p) **Income tax (Cont'd)**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

3 Plant and equipment

	<u>Computer & peripherals</u>	S\$
<u>2025</u>		
Cost		
At April 1, 2024		5,089
Additions		-
At March 31, 2025		<u>5,089</u>
Depreciation		
At April 1, 2024		4,713
Charge for the year		376
At March 31, 2025		<u>5,089</u>
Net book value		
At March 31, 2025		<u> </u>

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

3 Plant and equipment (Cont'd)

	<u>2024</u>	<u>Computer & peripherals</u>
	S\$	
Cost		
At April 1, 2023	5,089	
Additions	-	
At March 31, 2024	<u>5,089</u>	
Depreciation		
At April 1, 2023	3,500	
Charge for the year	1,213	
At March 31, 2024	<u>4,713</u>	
Net book value		
At March 31, 2024	<u>376</u>	

4 Deferred tax assets

	<u>2025</u>	<u>2024</u>
	S\$	S\$
<i>Provision for incentive:</i>		
At beginning of year	-	-
Credit to profit or loss	2,310	-
At end of year	<u>2,310</u>	-

5 Trade receivables

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Outside parties	676,692	660,692
Unbilled receivables	356,042	12,315
	<u>1,032,734</u>	<u>673,007</u>

The Company does not give a fixed credit term. No interest is charged on the trade receivables.

The table below is an analysis of trade receivables ageing as at March 31 (on 30 days credit basis):

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Not past due	315,541	170,562
Past due 1 to 30 days	116,960	93,563
Past due more than 30 days	244,191	396,567
	<u>676,692</u>	<u>660,692</u>

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

6 Other receivables

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Related company:		
- Loan	2,000,000	2,000,000
- Interest on loan	13,410	79,476
Staff advances	1,311	-
Deposit	7,600	7,600
	<u>2,022,321</u>	<u>2,087,076</u>

The loan to related company bears an interest of 3.93% + overnight SORA rate per annum. The interest as of year end is approximately 8% per annum.

7 Share capital

	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
	No. of shares issued	S\$	No. of shares issued	S\$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

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

8 Trade payables and accruals

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Trade payables:		
- Outside party	30,488	-
- Holding company	635,834	420,119
-Related company	-	2
GST payable	40,942	32,233
Accrued expenses	50,239	60,844
	<u>757,503</u>	<u>513,198</u>

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

9 Other payables

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Sundry payables	-	44,301
Sale volume rebate	183,919	130,978
Salaries withheld	31,383	19,410
	<u>215,302</u>	<u>194,689</u>

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

10 Provision for incentive and other expenses

	<u>2025</u>	<u>2024</u>
	S\$	S\$
At beginning of year	32,669	40,601
Charge for the year	123,563	120,754
Paid during the year	(126,896)	(128,686)
At end of year	29,336	32,669

11 Contract liability

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Deferred revenue	92,319	12,095

12 Revenue

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Type of income:		
Service income from software projects	970,176	1,022,627
Timing of revenue recognition:		
Over time	970,176	1,022,627

The Company has recognised variable consideration of S\$133,164 (2024:S\$66,999) in relation to volume discount and deferred revenue to certain customers.

13 Other income

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Foreign exchange gain	-	7,443
Government grant- corporate income tax rebate cash grant	2,000	-
Interest income	136,220	157,007
	138,220	164,450

14 Salaries and employee benefits

Salaries and employee benefits for the financial years ended March 31:

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Salaries, bonus and allowances	258,409	469,396
CPF contribution (defined)	408	11,092
Director's remuneration	296,929	189,288
CPF on directors' remuneration (defined)	23,247	29,000
Skill development levy	491	650
	579,484	699,426

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

14 Salaries and employee benefits (Cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Director's remuneration	296,929	189,288
CPF on directors' remuneration	23,247	29,000

The key management personnel also comprise directors who do not receive any short-term employee benefits during the financial year.

15 Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Foreign exchange loss /(gain)	40,113	(7,443)
Lease - rent (short-term)	15,600	15,100
Professional charges	218,750	173,953

16 Income tax expense

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Current year	16,631	23,167
Prior year (over)/under provision	(6,214)	2,618
Deferred tax credit	(2,310)	-
	8,107	25,785

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to the profit before income tax as a result of the following differences:

	<u>2025</u>	<u>2024</u>
	S\$	S\$
Profit before income tax	206,789	237,563
Tax expense at the rate of 17%	35,154	40,386
Non-deductible items	394	-
Statutory stepped income exemption	(17,425)	(17,425)
Deferred tax:		
- Arising in the year not recognised	-	206
- Prior year under provision	(1,807)	-
Prior year (over)/under provision	(6,214)	2,618
Others	(1,995)	-
Income tax expense for the financial year	8,107	25,785

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

16 Income tax expense (Cont'd)

Deferred tax is not recognised as there are no significant temporary differences as of end of the financial year.

17 Holding company and related company transactions

Some of the Company's transactions and arrangement are with holding company and the related company and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free, repayable on demand and are in the ordinary course of business, unless otherwise stated.

During the financial year, the Company had the following transactions:

	<u>2025</u>	<u>2024</u>
	S\$	S\$
<i>Holding company</i>		
Income from software projects	970,176	1,022,627
Income billed on behalf of holding company (#)	<u>2,331,627</u>	<u>1,803,426</u>
<i>Related company</i>		
Interest income	<u>136,220</u>	<u>157,007</u>

- (#) This income represent income billed on behalf of the holding company. Due to certain customers' requirement the Company raises bills on behalf of the holding company to the customers directly. These billings by the Company are fully charged by a similar quantum of billing by the holding company to the Company, and consequently both amounts are netted off in the accounts.
- (#) The holding company undertakes full responsibility for the project execution, provides operational and management direction, technical literatures and training for the implementation of projects. Holding company enters into contract with the customer including the Company as party to the contract for billing purposes.

18 Financial instruments, financial and capital risk management

(a) **Categories of financial instruments**

The following table sets out the financial instruments as at the statement of financial position date:

	<u>2025</u>	<u>2024</u>
	S\$	S\$
<i>Financial assets</i>		
Amortised cost:		
- Trade receivables	1,032,734	673,007
- Other receivables	2,022,321	2,087,076
- Cash at bank	<u>969,589</u>	<u>728,057</u>
Total financial assets	<u>4,024,644</u>	<u>3,488,140</u>
<i>Financial liabilities</i>		
Amortised cost:		
- Trade payables and accruals (excluding GST)	716,561	480,965
- Other payables	215,302	194,689
Total financial liabilities	<u>931,863</u>	<u>675,654</u>

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**17 Holding company and related company transactions (Cont'd)****(b) Fair value measurements****Fair value hierarchy**

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

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

There are no financial assets measured at fair value.

Assets and liabilities not measured at fair value**(i) *Trade receivables and trade payables***

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

(ii) *Other receivables, cash at bank and other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

(c) Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include liquidity risk, credit risk and market risk (including interest rate risk, foreign currency risk and price risk).

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of cash and cash equivalents that is sufficient for working capital purpose.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025

18 Financial instruments, financial and capital risk management (Cont'd)

(c) **Financial risk management (Cont'd)**

Liquidity risk (Cont'd)

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

	Carrying amount	Cash flows		
		Contractual cash flow	Less than 1 year	Within 2 to 5 years
		S\$	S\$	S\$
<u>2025</u>				
Financial assets				
Trade receivables	1,032,734	1,032,734	1,032,734	-
Other receivables	2,022,321	2,022,321	2,022,321	-
Cash at bank	969,589	969,589	969,589	-
Total undiscounted financial assets	4,024,644	4,024,644	4,024,644	-
Financial liabilities				
Trade payables and accruals	(716,561)	(716,561)	(716,561)	-
Other payables	(215,302)	(215,302)	(215,302)	-
Total undiscounted financial liabilities	(931,863)	(931,863)	(931,863)	-
Total net undiscounted financial assets	3,092,781	3,092,781	3,092,781	-
<u>2024</u>				
Financial assets				
Trade receivables	673,007	673,007	673,007	-
Other receivables	2,087,076	2,087,076	2,087,076	-
Cash at bank	728,057	728,057	728,057	-
Total undiscounted financial assets	3,488,140	3,488,140	3,488,140	-
Financial liabilities				
Trade payables and accruals	(480,965)	(480,965)	(480,965)	-
Other payables	(194,689)	(194,689)	(194,689)	-
Total undiscounted financial liabilities	(675,654)	(675,654)	(675,654)	-
Total net undiscounted financial assets	2,812,486	2,812,486	2,812,486	-

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash at bank), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**18 Financial instruments, financial and capital risk management (Cont'd)**(c) **Financial risk management (Cont'd)***Credit risk (Cont'd)*

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days past the credit due dates, disputes on the invoiced amount or there is significant difficulty of the counterparty.

Cash at bank are placed with credit worthy financial institutions.

Trade and other receivables

The Company has no financial assets exposed to credit loss other than trade receivables.

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, any probable receivables in dispute, past history of bad debts and concluded that there has been no significant increase in the credit risk since the initial recognition of financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime ECL and determined the ECL is insignificant.

The Company has a significant concentration of credit risk in relation to certain external receivables. The trade receivables as of year-end comprise a customer's (2024: a customer's) balance that comprise 93% (2024:93%) of the trade receivable balance. The loan from a related company in other receivables comprise of a party's balance.

The management however does not foresee any risk of default by the parties as they are creditworthy customers. Further details of credit risks on trade receivables are disclosed in **Note 4** to the financial statements.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant exposure to market risk for changes in interest rates because it has no interest-bearing borrowings from any external sources except the loan given to a related company.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at statement of financial position date and the stipulated change taking place at the beginning of the financial year and had been constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points higher or lower and all other variables been constant, the Company's profit before tax for the year ended March 31, 2025 would increase or decrease by S\$10,000 (2024: S\$10,000).

Notes To The Financial Statements For The Financial Year Ended March 31, 2025**18 Financial instruments, financial and capital risk management (Cont'd)**(c) **Financial risk management (Cont'd)***Foreign currency risk*

The Company has no significant exposure to foreign currency risk.

Price risk

The Company has no significant exposure to price risk.

(d) **Capital risk management**

The management considers the capital of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

The management's overall strategy remains unchanged from 2024.

19 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

			Effective from annual periods beginning on or after
FRS 109, FRS 107	(Amendments)	: Classification and Measurement of Financial Instruments	January 1, 2026
FRS 21	(Amendments)	: Lack of Exchangeability	January 1, 2025
FRS 118		: Presentation and Disclosure in Financial Statements	January 1, 2027
<i>Improvements to FRSs</i>			
Annual Improvements to FRSs			January 1, 2026
FRS 7	(Amendments)	: Statement of Cash Flows	
FRS 107	(Amendments)	: Financial Instruments: Disclosures	
FRS 109	(Amendments)	: Financial Instruments	

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

20 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on May 14, 2025.