PELATRO PTE. LTD.
(Incorporated in Singapore)

(COMPANY REGISTRATION NO.:201631740H)

FINANCIAL STATEMENTS

31 DECEMBER 2024

PELATRO PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT

We are pleased to submit this annual statement to the member of the Company together with the audited financial statements for the financial year ended 31 December 2024.

In our opinion:-

(a) the financial statements set out on pages 7 to 38 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 year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The directors have, on the date of this statement, authorised these financial statements for issue.

Directors

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

Sharat Ganapati Hegde	
Subash Menon	(Appointed on 11 December 2024)
Hamish Alexander Christie	

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Sharat Ganapati Hegde		
Pelatro Limited (formerly known as Pelatro Private Limited)		
- ordinary shares		
- interests held	-	20,133

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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

PELATRO PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT (CONTINUED)

Share Options

During the financial year, there were:-

(a) no options granted by the Company to any person to take up unissued shares in the Company.

(b) 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.

Independent auditor

The independent auditor, EQ ASSURANCE, has expressed its willingness to accept re-appointment.

Signed on behalf of the Board of Directors

SUBASH MENON
Director

SHARAT GANAPATI HEGDE
Director

Singapore

19 March 2025

EQ Assurance
Chartered Accountants of Singapore
(Registration No.: T21PF0015F)
808 French Road,
#04-151 Kitchener Complex,
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Tel : (65) 6016 0091
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PELATRO PTE. LTD.
(Incorporated in Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pelatro Pte. Ltd. (the Company) for the year-ended 31 December 2024 as set out on pages 7 to 38, which comprise the statement of financial position of the Company as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial statements, which indicates that the Company's current liabilities exceeded its current assets by US$3,528,356 (2023: US$2,288,795) and net capital deficiency of US$1,767,887 (2023: US$2,282,954) as at 31 December 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PELATRO PTE. LTD.
(Incorporated in Singapore)

Report on the Audit of the Financial Statements *(Continued)*

Other Matter

The financial statements of the Company for the year 31 December 2023 were audited by another auditors who expressed an unmodified opinion on those financial statements on 4 June 2024.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PELATRO PTE. LTD.
(Incorporated in Singapore)

Report on the Audit of the Financial Statements *(Continued)*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PELATRO PTE. LTD.
(Incorporated in Singapore)

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.

EQ Assurance

EQ ASSURANCE
Public Accountants and
Chartered Accountants
Singapore

19 March 2025

(CKA/NTT)

PELATRO PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 US$	2023 US$
Non-current assets			
Intangible assets	4	1,740,000	283
Plant and equipment	5	20,469	5,558
Loan to a related company	6	-	249,762
		1,760,469	255,603
Current assets			
Trade and other receivables	7	611,002	133,363
Loan to a related company	6	-	144,623
Contract assets	13(b)	204,721	19,920
Advance payments to supplier		671,186	1,067
Prepayments		6,213	-
Cash and banks balances	8	274,433	27,046
		1,767,555	326,019
Total assets		3,528,024	581,622
Equity attributable to owner of the Company			
Share capital	9	352	352
Share application money	9.1	199,800	-
Accumulated losses		(1,968,039)	(2,283,306)
Total equity		(1,767,887)	(2,282,954)
Non-current liabilities			
Loan from a related party	10	-	249,762
		-	249,762
Current liabilities			
Trade and other payables	11	3,449,268	2,460,895
Contract liabilities	13(b)	246,643	-
Loan from immediate and ultimate holding company	12	1,600,000	-
Loan from a related party	10	-	153,919
		5,295,911	2,614,814
Total liabilities		5,295,911	2,864,576
Total equity and liabilities		3,528,024	581,622

The notes set out on pages 12 to 38 form an integral part of, and should be read in conjunction with, these financial statements.

PELATRO PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR-ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Revenue	13	4,697,351	6,007,168
Other income	14	184,103	-
Amortisation of intangible assets		283	396
Commission on sales		4,832	-
Consulting fees		121,864	118,449
Depreciation of plant and equipment		7,759	4,761
Finance costs		53,014	123,493
Foreign exchange loss		2,349	13,804
Legal and professional fees		652,273	364,667
Marketing expenses		47,532	-
Office rental		31,011	31,023
Other expenses		126,411	48,701
Purchases		25,643	-
Software development expenses		2,422,697	3,733,334
Staff costs		1,019,564	921,577
Trade receivable written off		1,142	22,906
Total expenses		4,516,374	5,383,111
Profit before taxation		365,080	624,057
Taxation	15	(49,813)	(11,402)
Profit after taxation		315,267	612,655
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income		315,267	612,655

The notes set out on pages 12 to 38 form an integral part of, and should be read in conjunction with, these financial statements.

PELATRO PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-ENDED 31 DECEMBER 2024

	Share Capital US$	Share application money US$	Accumulated Losses US$	Total US$
As at 1 January 2023	**352**	**-**	**(2,895,961)**	**(2,895,609)**
Profit for the year	-	-	612,655	612,655
As at 31 December 2023	**352**	**-**	**(2,283,306)**	**(2,282,954)**
Share application received	-	199,800	-	199,800
Profit for the year	-	-	315,267	315,267
As at 31 December 2024	**352**	**199,800**	**(1,968,039)**	**(1,767,887)**

The notes set out on pages 12 to 38 form an integral part of, and should be read in conjunction with, these financial statements.

PELATRO PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE YEAR-ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Cash flow from operating activities:			
Profit before taxation		365,080	624,057
Adjustment for:			
Amortisation of intangible assets		283	396
Trade receivables written off		1,142	22,906
Depreciation of plant and equipment		7,759	4,761
Finance costs		53,014	123,493
Translation effect		-	167
Operating profit before changes in working capital		427,278	775,780
Change in working capital:			
Contract assets		(184,801)	(19,920)
Trade and other receivables		(478,781)	759,750
Advance payment to supplier		(670,119)	(582)
Prepayments		(6,213)	-
Contract liabilities		246,643	-
Trade and other payables		926,063	(1,528,388)
		(167,208)	(789,140)
Cash generated from/(used in) operations		260,070	(13,360)
Withholding tax paid		(49,813)	(11,402)
Net cash generated from/(used in) operating activities		210,257	(24,762)
Cash flows from financing activities:-			
Loan repayments to a related party		-	(124,506)
Loan from immediate and ultimate holding company		1,600,000	-
Share application money	9.1	199,800	-
Interest paid		-	(123,493)
Net cash generated from/(used in) financing activities		1,799,800	(247,999)

The notes set out on pages 12 to 38 form an integral part of, and should be read in conjunction with, these financial statements.

PELATRO PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE YEAR-ENDED 31 DECEMBER 2024 (CONTINUED)

	2024	2023
	US$	US$
Cash flows from investing activities:		
Purchase of plant and equipment	(22,670)	(1,212)
Acquisition of intangible assets	(1,740,000)	-
Loan to a related company	-	124,506
Net cash (used in)/generated from investing activities	(1,762,670)	123,294
Increase/(Decrease) in cash and cash equivalents	247,387	(149,467)
Cash and banks balance at beginning of the year	27,046	176,513
Cash and banks balance at end of the year	274,433	27,046

Reconciliation of liability arising from financing activity: -

	At beginning of the year	Net principal and interest receipts/ (payments)	Foreign exchange movement	Non-cash movements	Interest expenses	At end of the year
	US$	US$	US$	US$	US$	US$
2024						
Loan from a related party	403,681	-	-	(403,681)	-	-
Loan from immediate and ultimate holding company	-	1,600,000	-	(53,014)	53,014	1,600,000
2023						
Loan from a related party	530,061	(247,999)	(1,874)	-	123,493	403,681

The notes set out on pages 12 to 38 form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

1. CORPORATE INFORMATION

The Company is incorporated in the Republic of Singapore, with its registered office at 20 Collyer Quay, #11-05, Singapore 049319.

The principal activities of the Company are those of the development, marketing, distribution and support of Precision Marketing software.

On 08 January 2024, the immediate and ultimate holding company of the Company was changed from Pelatro Limited (formerly known as Pelatro Plc), a company incorporated in the United Kingdom to Pelatro Limited (formerly known as Pelatro Private Limited), a company incorporated in India.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of Preparation

The financial statements are prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs").

The financial statements are presented in US Dollars, which is considered by the directors to be the Company's functional currency and are prepared on the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates, assumptions and judgments 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies used by the Company have been applied consistently to all periods presented in these financial statements.

Changes in accounting policies

In the current financial period, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2024. The adoption of these new/revised FRSs and INT FRSs had no material effect on the amounts reported for the current or prior periods.

New accounting standards and interpretations not yet adopted

New accounting standards, amendments to standards and interpretations that have been issued as of the reporting date but are not yet effective for the current financial year have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company except for those listed below.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) Basis of Preparation (Continued)

New accounting standards and interpretations not yet adopted (continued)

The following standards applicable to the Company have been issued but are not yet effective:

Description	Effective Date
Amendments to FRS 107 *Financial Instruments* and FRS 109 *Financial Instruments*: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to FRS 118 *Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Going Concern

The financial statements of the Company have been prepared on a going concern basis notwithstanding the Company's current liabilities exceeded its current assets by US$3,528,356 (2023: US$2,288,795) and net capital deficiency of US$1,767,887 (2023: US$2,282,954) as at 31 December 2024.

The ability of the Company to continue as a going concern is dependent on the undertaking of its immediate and ultimate holding company, Pelatro Limited (formerly known as Pelatro Private Limited), to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due. The immediate and ultimate holding company has also agreed not to recall the amount owing to itself until the cash flows of the Company permit.

The financial statements do not reflect any adjustments that may be required should the Company be unable to continue as a going concern.

b) Property, Plant and Equipment

Items of property, plant and equipment are initially recognised at cost, and are subsequently stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gain or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or operating expenses in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Property, Plant and Equipment (Continued)

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the profit or loss on a straight line method over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumptions of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives are as follows:-

	Estimated useful life (years)
Computer equipment	3
Office equipment	3-5
Furniture and fittings	5
Leasehold improvements	5

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

c) Intangible Assets

Intangible assets that are acquired by the Company are measured at cost less accumulated amortisation and accumulated impairment losses.

Intellectual Properties

Intellectual Properties are stated at cost and assessed for their useful lives. Intellectual properties with finite useful life is amortised on a straight-line basis over its estimated useful life of 4 years whereas intellectual properties with an infinite useful life is not amortised.

SSL Certificate and Computer Software Licences

SSL Certificate and computer software licenses are stated at cost and are amortised on a straight-line basis over their estimated useful lives of 2 and 5 years.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial Instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

<u>Investment in debt instruments</u>

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial Instruments (Continued)

ii) Classification and subsequent measurement (Continued)

Investment in debt instruments (Continued)

- FVOCI: 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Investment in equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities 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. Any gain or loss on derecognition is also recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial Instruments (Continued)

iii) Derecognition

Financial assets

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

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.

Financial liabilities

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

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

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Cash and banks balances

Cash and banks balances comprise demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant of changes in value.

For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Financial Instruments (Continued)

vi) Share capital

Ordinary shares

Ordinary shares are classified as equity and recognised at the fair value of the consideration received/receivable by the Company.

Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceed and net of tax.

Share application money

Share application money represents amounts received from investors for shares that have not yet been allotted. It is classified as:

- Equity if the shares will be issued and allotted unconditionally.
- Liability if the issuance of shares is contingent on further events.

Once shares are allotted, the corresponding share application money is transferred to ordinary shares.

e) Impairment

i) Financial instruments

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. 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 recognizes 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) Impairment (Continued)

i) Financial instruments (Continued)

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow.

When the asset becomes uncollectible, it is written off against the allowance amount. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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:

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

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 should 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)

e) Impairment (Continued)

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets other than contract 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 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 CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU (group of CGUs) on a pro rata basis.

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.

f) Foreign currencies

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rate of exchange ruling at that date.

Foreign currency transactions and balances

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. 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.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Software distribution revenue, software development revenue and recurring revenue

Revenue from services is recognised in the period in which the services are rendered and accepted by the customers.

Reoccuring revenue and one-off revenue

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer.

h) Employee Benefits

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

Defined contribution plan

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

h) Employee Benefits (Continued)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made where material for the estimated liability for annual leave as a result of service rendered by employees at the reporting date.

i) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss. Current tax is the expected tax payable or recoverable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous periods.

Deferred tax is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the reporting date between the carrying amounts of assets and liabilities and the amounts used for tax purposes except when the deferred tax arises from 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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to apply to the period when the assets is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised, where material, for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

j) Related Parties

A related party is defined as follows:-

i) A person or a close member of that person's family is related to the Company if that person:

   a. Has control or joint control over the Company;

   b. Has significant influence over the Company; or

   c. Is a member of the key management personnel of the Company or of a parent of the Company.

ii) An entity is related to the Company if any of the following conditions applies:

   a. 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);

   b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

   c. Both entities are joint ventures of the same third entity and the other entity is an associate of the third entity;

   d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

   e. 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;

   f. The entity is controlled or joint controlled by a person identified in (i);

   g. A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel or the entity (or of a parent of the entity).

k) Leases – As lessee

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

k) Leases – As lessee (Continued)

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date 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. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2 (e).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. 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 office space (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). 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

l) Provisions

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

Provisions are reviewed at the end of each reporting period 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 as a finance cost.

m) Loan and borrowings

Interest-bearing loans and borrowings are recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost which is the initial cost less any principal repayments. The interest expense is chargeable on the amortised cost over the period of the borrowings on an effective interest basis.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Company's accounting policies, management made judgments, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Judgments made in applying accounting policies

In the process of applying the Company's accounting policies, management are of the view that any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

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.

4. INTANGIBLE ASSETS

	Intellectual Properties	Computer Software	Total
	US$	US$	US$
Cost			
As at 1 January 2023	15,704	2,243	17,947
Additions	-	-	-
As at 31 December 2023	15,704	2,243	17,947
Additions	1,740,000	-	1,740,000
As at 31 December 2024	1,755,704	2,243	1,757,947
Accumulated amortisation			
As at 1 January 2023	15,704	1,564	17,268
Charge for the year	-	396	396
As at 31 December 2023	15,704	1,960	17,664
Charge for the year		283	283
As at 31 December 2024	15,704	2,243	17,947
Net book value			
As at 31 December 2023	-	283	283
As at 31 December 2024	1,740,000	-	1,740,000

5. PLANT AND EQUIPMENT

	Computer Equipment	Office Equipment	Furniture and Fittings	Leasehold Improvements	Total
	US$	US$	US$	US$	US$
Cost					
As at 1 January 2023	57,162	1,381	4,835	5,896	69,274
Additions	1,212	-	-	-	1,212
As at 31 December 2023	58,374	1,381	4,835	5,896	70,486
Additions	22,670	-	-	-	22,670
As at 31 December 2024	81,044	1,381	4,835	5,896	93,156
Accumulated depreciation					
As at 1 January 2023	50,731	1,041	3,530	4,865	60,167
Charge for the year	3,173	210	967	411	4,761
As at 31 December 2023	53,904	1,251	4,497	5,276	64,928
Charge for the year	6,887	123	338	411	7,759
As at 31 December 2024	60,791	1,374	4,835	5,687	72,687
Net book value					
As at 31 December 2023	4,470	130	338	620	5,558
As at 31 December 2024	20,253	7	-	209	20,469

6. LOAN TO A RELATED COMPANY

	2024 US$	2023 US$
Current		
Amount repayable within one year	-	144,623
Non-current		
Amount repayable more than one year but within five years	-	249,762
	-	394,385

The Company had extended a loan to a related company for a period of 6 years and was repayable in monthly instalments, the final instalment being due in June 2026. The loan was denominated in Indian Rupees, unsecured and interest-free. On 1 January 2024, the loan to a related company was settled by offset against the loan from a related party.

For loan to a related company, 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, and concluded that there has been no significant increase in the credit risk since initial recognition of the financial asset. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

7. TRADE AND OTHER RECEIVABLES

	2024 US$	2023 US$
Trade receivables:		
- Immediate and ultimate holding company	-	67,400
- Third parties	611,002	65,963
	611,002	133,363

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade receivables are considered to be of short duration and are not discounted as the carrying values are assumed to approximate their fair values.

The trade and other receivables are denominated in United States Dollars.

For trade and other receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime expected credit loss (ECL).

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade and other receivables. These receivables are mainly due from customers that have good payment records with the Company. Trade receivables are non-interest bearing and generally on 0 to 30 days' terms.

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of non-impaired trade and other receivables is analysed as follows:-

	Gross carrying amount US$	Lifetime ECL US$	Credit impaired
2024			
Not past due	306,009	-	No
Past due 1 to 30 days	47,193	-	No
Past due 31 to 60 days	58,250	-	No
Past due over 90 days	199,550	-	No
	611,002	-	

	Gross carrying amount US$	Lifetime ECL US$	Credit impaired
2023			
Not past due	62,664	-	No
Past due 1 to 30 days	5,000	-	No
Past due 61 to 90 days	5,000	-	No
Past due over 90 days	60,699	-	No
	133,363	-	

8. CASH AND BANKS BALANCES

Cash and banks balances are denominated in the following currencies:

	2024 US$	2023 US$
Singapore Dollars	452	1,280
United States Dollars	272,909	23,661
Russian Ruble	1,072	2,105
	274,433	27,046

9. SHARE CAPITAL

	2024		2023	
	No. of Shares	US$	No. of Shares	US$
Ordinary shares issued and fully paid:-				
At beginning of the year	500	352	500	352
Issuance of shares	-	-	-	-
At end of the year	500	352	500	352
Share application money (Note 9.1)	270,000	199,800	-	-
	270,500	200,152	500	352

9. SHARE CAPITAL (CONTINUED)

The holder of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets. The Company's shares have no par value.

9.1 Share Application Money

On 19 December 2024, the shareholder of the Company authorised the Board of Directors to allot shares. Subsequently, on 30 December 2024, the Board of Directors approved the allotment.

As at 31 December 2024, the Company has received share application money amounting to US$ 199,800 for the issuance of 270,000 ordinary shares, which remains pending issuance. There are no conditions requiring the refund of this amount.

10. LOAN FROM A RELATED PARTY

	2024 US$	2023 US$
Current		
Amount repayable within one year	-	153,919
Non-current		
Amount repayable more than one year but within five years	-	249,762
	-	403,681

The Company received a loan from a related party in year 2020, which was for a period of 6 years and was repayable in monthly instalments, with the final instalment being due in June 2026. The loan was denominated in Indian Rupees, unsecured and carried interest at 15.25% per annum. On 1 January 2024, the loan from a related party was settled by offset against the loan to a related company.

11. TRADE AND OTHER PAYABLES

	2024 US$	2023 US$
Trade payables		
- Immediate and ultimate holding company	3,004,127	-
- Related parties	4,803	670,349
- Former director	-	480
- Director	480	-
- Third parties	591	-
	3,010,001	670,829
Accrued expenses	439,267	909,238
Amount due to immediate and ultimate holding company - non-trade	-	878,717
Amount due to a related party - non-trade	-	2,111
	3,449,268	2,460,895

11. TRADE AND OTHER PAYABLES (CONTINUED)

Trade and other payable are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade payables are considered to be of short duration and are assumed to approximate their fair values.

The non-trade amounts due to a related party and the immediate and ultimate holding company were unsecured, interest-free and repayable on demand.

The currency exposure profile of trade and other payables are as follows:

	2024 US$	2023 US$
Singapore Dollars	22,245	18,709
United States Dollars	3,427,023	2,442,186
	3,449,268	2,460,895

12. LOAN FROM IMMEDIATE AND ULTIMATE HOLDING COMPANY

	2024 US$	2023 US$
Loan from immediate and ultimate holding company	1,600,000	-

The Company received a loan from the immediate and ultimate holding company during the year, which is repayable on demand. The loan is denominated in United States Dollars, unsecured and carries interest at 9.0% per annum.

13. REVENUE

(a) Disaggregation of revenue

A disaggregation of the Company's revenue for the year is as follows:

	2024 US$	2023 US$
Over time		
Software distribution revenue	1,082,376	2,605,848
Software development revenue	406,556	3,224,952
Recurring revenue	1,708,979	124,608
	3,197,911	5,955,408
At a point in time		
Reoccuring revenue	658,023	51,760
One-off revenue	841,417	-
	1,499,440	51,760
	4,697,351	6,007,168

13. REVENUE (CONTINUED)

(b) Contract assets and contract liabilities

Information about contract assets and contract liabilities from contracts with customers is disclosed as follows:

	2024 US$	2023 US$
Contract assets	204,721	19,920
Contract liabilities	246,643	-

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the end of the reporting period on recurring revenue. Contract assets are transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to advance consideration received from customers for recurring revenue, reoccurring revenue and one-off revenue.

Significant changes in the contract assets and contract liabilities balances during the period are as follows:

	Contract assets	
	2024 US$	2023 US$
Increase due to rights to consideration for work completed but not yet billed	204,721	19,920
Contract asset reclassified to trade receivables	19,920	-

	Contract liabilities	
	2024 US$	2023 US$
Increases due to cash received, excluding amounts recognised as revenue during the year	246,643	-

14. OTHER INCOME

	2024 US$	2023 US$
Amount due to former immediate and ultimate holding company (non-trade) written back	184,000	-
Interest income	103	-
	184,103	-

During the financial year, the Company received a debt waiver amounting to US$184,000 from its former immediate and ultimate holding company, Pelatro Limited (formerly known as Pelatro Plc.). The waiver represents the release of the Company's obligation to repay the outstanding balance previously due to the holding company.

15. TAXATION

	2024 US$	2023 US$
Overseas withholding tax expenses	49,813	11,402
Total tax expense	49,813	11,402

The reconciliation of the current tax expense and the product of the accounting result multiplied by the applicable tax rate is as follow:

	2024 US$	2023 US$
Profit before tax	365,080	624,057
Income tax at statutory rate of 17% (2023: 17%)	62,064	106,090
Tax effect of:		
Expenses not deductible for tax purposes	20,675	28,925
Income not assessable for tax	(31,280)	-
Qualified enhanced deduction/allowances	(12,040)	(18,924)
Overseas withholding tax expenses	49,813	11,402
Movement of unrecognised deferred tax assets	(39,419)	(116,091)
	49,813	11,402

The unrecognised deferred tax assets representing from the additional tax losses and capital allowances as at the reporting date is attributable as follows:-

	2024 US$	2023 US$
Plant and equipment	(3,480)	10,279
Intangible assets	(295,800)	333
Unutilised capital allowances	270,473	-
Unutilised tax losses	406,750	406,750
	377,943	417,362

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties concerned:

	2024 US$	2023 US$
Software distribution fee income from:-		
- Immediate and ultimate holding company:		
- Pelatro Limited (formerly known as Pelatro Plc)	423,511	2,558,423
- Former immediate and ultimate holding company:		
- Pelatro Limited (formerly known as Pelatro Plc)	658,865	-
- Related company	-	47,425
Software development fee income from:-		
- Immediate and ultimate holding company:		
- Pelatro Limited (formerly known as Pelatro Plc)	406,556	3,224,952
Software development expenses charged by:-		
- Immediate and ultimate holding company:-		
- Pelatro Limited (formerly known as Pelatro Private Limited)	836,213	-
- Related company	1,586,484	3,733,334
Consulting fees expense paid to:-		
- Related parties	121,864	118,449
Acquisition of intangible asset from former immediate and ultimate holding company	1,740,000	-
Professional fees paid to a firm/companies of which a director is a partner/shareholder	18,589	21,722
Interest expense on loan from:-		
- Immediate and ultimate holding company:-		
- Pelatro Limited (formerly known as Pelatro Private Limited)	53,014	-
- Related party	-	123,493

On 08 January 2024, the immediate and ultimate holding company of the Company was changed from Pelatro Limited (formerly known as Pelatro Plc), a company incorporated in the United Kingdom to Pelatro Limited (formerly known as Pelatro Private Limited), a company incorporated in India.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

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 and market price risk which includes interest rate risk and foreign currency risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the executive directors and financial officer. This is, and has been throughout the current and previous financial year, the Company's policy.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Overview (Continued)

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, and the Company's management of capital. 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.

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 and loan to a related company. For other financial assets (including cash at banks), 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.

The Company's exposures to credit risk and impairment losses relating to trade and other receivables are analysed under Note 7.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

At the end of the reporting period, the Company has concentration of credit risk in 2 major customers representing 64% of total trade receivables.

In 2023, the Company has significant amount of receivables owing by immediate and ultimate holding and a related company of US$67,400 and US$394,385 respectively.

The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Company maintains a sufficient level of cash to meet its working capital requirements.

The Company's liquidity risk management policy is to monitor its net operating cash flow and maintain an adequate level of working capital through regular review of its working capital requirements. In the opinion of the directors, the Company has adequate funds to meet its liabilities as and when they fall due for payment.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

The following are the expected contractual undiscounted cash flows of financial liabilities:

	Carrying amount	Cash flows			
		Contractual cash flows	Within 1 year	Within 2 to 5 years	More than 5 years
	US$	US$	US$	US$	US$
2024					
Loan from immediate and ultimate holding company	1,600,000	(1,744,000)	(1,744,000)	-	-
Trade and other payables	3,449,268	(3,449,268)	(3,449,268)	-	-

	Carrying amount	Cash flows			
		Contractual cash flows	Within 1 year	Within 2 to 5 years	More than 5 years
	US$	US$	US$	US$	US$
2023					
Loan from a related party	403,681	(474,702)	(195,082)	(279,620)	-
Trade and other payables	2,460,895	(2,460,895)	(2,460,895)	-	-

Market price risk

Market price risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

Foreign exchange risk arises from changes in foreign exchange rates that may have an adverse effect on the Company in the current period and future periods.

The Company has not entered into any hedging arrangements and has no significant exposure to movements in exchange rates.

(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 has no variable interest bearing financial instruments, hence, is not exposed to any movements in market interest rates.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value of financial assets and financial liabilities

Financial assets and financial liabilities which are marketable are stated at their fair values. The Company recognises that there are no material differences between the carrying amounts of the financial assets and liabilities of the Company and their respective fair values in view of their relatively short-term nature.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the financial statements approximate their fair values.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital using several methods, including gearing ratio, return on capital and reviewing the level of dividends to shareholders. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

18. SUBSEQUENT EVENTS

(a) On 3 January 2025, the Company issued an additional 270,000 ordinary shares to the sole shareholder of the company for a total consideration of US$199,800 for cash to provide funds for working capital purposes. The newly issued shares rank pari passu in all respects with the previously issued shares.

(b) On 28 February 2025, the shareholder of the Company authorised the Board of Directors to allot shares. Following this authorisation, the Board of Directors approved the allotment of 1,283,784 ordinary shares to the sole shareholder for a total consideration of US$950,000, which remains pending issuance.

19. COMPARATIVE INFORMATION

The financial statements for the year ended 31 December 2023 were audited by another firm of Chartered Accountants.

19. COMPARATIVE INFORMATION (CONTINUED)

Reclassification of balances

The comparative figures have reclassified to align with the current year's presentation as follows:

As previously classified in FY 2023 financial statements

	As restated 2023 US$	As previously Reported 2023 US$
Presented in the Statement of Financial Position:		
Current assets		
Trade and other receivable	133,363	153,283
Contract assets	19,920	-

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors on 19 March 2025.

PELATRO PTE. LTD.
(Incorporated in Singapore)

DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR-ENDED 31 DECEMBER 2024

	2024 US$	2023 US$
Revenue	4,697,351	6,007,168
Other income		
Interest income	103	-
Amount due to former immediate and ultimate holding company (non-trade) written back	184,000	-
	184,103	-
Expenses:		
Audit fee	5,681	2,785
Amortisation of intangible assets	283	396
Bank charges	42,224	25,093
Commission on sales	4,832	-
Consulting fees	121,864	118,449
Depreciation of plant and equipment	7,759	4,761
Dues and subscriptions	22,007	570
Finance costs	53,014	123,493
Foreign exchange loss	2,349	13,804
Bad receivables written of (trade)	1,142	22,906
Insurance expense	6,167	6,579
Internet and IT expenses	5,702	4,506
Legal and professional fees	652,273	364,667
Marketing expenses	47,532	-
Office rental	31,011	31,023
Postage and courier	2,157	-
Purchases	25,643	-
Recruitment expenses	81	21
Software development expenses	2,422,697	3,733,334
Staff costs	1,019,564	921,578
Staff welfare	4,620	6,869
Miscellaneous expenses	1,877	1,781
Printing and stationery	554	284
Telephone	1,381	212
Travelling	33,960	-
Total expenses	4,516,374	5,383,111
Profit before taxation	365,080	624,057

This schedule does not form part of the audited financial statements.