

Company Registration No. 201512291G

Cyient Singapore Private Limited

Annual Financial Statements
For the financial year ended 31 March 2025

	Page
Directors' statement	1
Independent auditor's report	3
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10

Cyient Singapore Private Limited

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of Cyient Singapore Private Limited (the "Company") for the financial year ended 31 March 2025.

Opinion of the directors

In the opinion of the directors

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and the financial performance, statement of changes in equity and cash flow statement of the Company for the year then ended; and
- (ii) 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 as the ultimate holding company has agreed to provide continuing financial support to the Company.

Directors

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

Murugamalar D/O Thoondy
Peri Naga Surya Venkata Narasimham
Mohan Ramya

(Appointed on 12 September 2024)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of a related corporation as stated below:

Name of directors	Direct interest		Deemed interest	
	At the beginning of the financial year	At the end of the financial year	At the beginning of the financial year	At the end of the financial year
<i>The ultimate holding company</i> <i>Cyient Limited</i>				
Peri Naga Surya Venkata Narasimham	23,160	29,590	—	—

Cyient Singapore Private Limited

Directors' statement

Share options

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

No shares were issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

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

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

Peri Naga Surya Venkata Narasimham
Director

Murugamalar D/O Thoondy
Director

10 May 2025

Cyient Singapore Private Limited

**Independent auditor's report
For the financial year ended 31 March 2025**

Independent auditor's report to the member of Cyient Singapore Private Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cyient Singapore Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2025, statement of changes in equity, statement of comprehensive income and cash flow statement for the 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 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for 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 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.

Cyient Singapore Private Limited

Independent auditor's report For the financial year ended 31 March 2025

Independent auditor's report to the member of Cyient Singapore Private Limited

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Cyient Singapore Private Limited

**Independent auditor's report
For the financial year ended 31 March 2025**

Independent auditor's report to the member of Cyient Singapore Private Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
10 May 2025

Cyient Singapore Private Limited**Statement of comprehensive income
For the financial year ended 31 March 2025**

	Note	2025 S\$	2024 S\$
Revenue	4	2,626,160	2,562,313
Other income	5	5,671,268	2,294,464
Sub-contracting income		992,319	21,107
Salaries and employee benefits	6	(2,701,923)	(2,103,610)
Depreciation of plant and equipment	10	(16,785)	(15,726)
Depreciation of right-of-use assets	11	(169,195)	(169,195)
Other operating expenses		(368,843)	(311,826)
Finance costs	7	(1,157,549)	(951,040)
Profit before income tax	8	4,875,452	1,326,487
Income tax expense	9	172,553	–
Profit after income tax, representing total comprehensive loss for the year		5,048,005	1,326,487

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

Cyient Singapore Private Limited

**Balance sheet
As at 31 March 2025**

	Note	2025 S\$	2024 S\$
ASSETS			
Non-current assets			
Plant and equipment	10	41,063	54,533
Right-of-use assets	11	56,398	225,593
Prepayments		44	775
Investment in a subsidiary	12	45,705,752	45,705,752
Total non-current assets		45,803,257	45,986,653
Current assets			
Trade receivables	13	445,769	277,312
Other receivables	14	1,079,783	2,131,274
Prepayments		17,583	25,100
Contract assets	15	143,138	133,849
Cash at bank	16	290,977	1,666,553
Income tax assets		221,805	48,809
Total current assets		2,199,055	4,282,897
TOTAL ASSETS		48,002,312	50,269,550
EQUITY AND LIABILITIES			
Non-current liabilities			
Contract liabilities	21	–	–
Borrowings	22	650,000	9,375,000
Lease liabilities	20	–	44,679
Total non-current liabilities		650,000	9,419,679
Current liabilities			
Trade payables and accruals	17	247,528	272,090
Other payables	18	1,756,384	2,056,206
Provision for unutilised leave	19	149,567	113,514
Lease liabilities	20	44,679	173,999
Contract liabilities	21	–	16,007,722
Borrowings	22	19,836,640	9,125,000
Total current liabilities		22,034,798	27,748,531
Total liabilities		22,034,798	37,168,210
Equity			
Share capital	23	24,753,508	17,585,340
Accumulated losses		564,005	(4,484,000)
Total equity		25,317,513	13,101,340
TOTAL EQUITY AND LIABILITIES		48,852,312	50,269,550

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

Cyient Singapore Private Limited

**Statement of changes in equity
For the financial year ended 31 March 2025**

	Share capital (Note 23) S\$	Accumulated losses S\$	Total S\$
Balance as at 1 April 2023	17,585,340	(5,810,487)	11,774,853
Profit for the year, representing total comprehensive loss for the year	–	1,326,487	1,326,487
Balance as at 31 March 2024 and 1 April 2024	17,585,340	(4,484,000)	13,101,340
Profit for the year, representing total comprehensive loss for the year	7,168,168	5,048,005	12,216,173
Balance as at 31 March 2025	24,753,508	564,004	25,317,513

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

Cyient Singapore Private Limited

Cash flow statement
For the financial year ended 31 March 2025

	2025 S\$	2024 S\$
Cash flows from operating activities		
Profit before income tax	4,875,452	1,326,487
Adjustments for:		
Depreciation of plant and equipment	16,785	15,726
Depreciation of right-of-use asset	169,195	169,195
Allowance for expected credit losses	(6,024)	–
Interest expense	1,151,548	937,729
Share Based Payment	–	10,519
Interest expense on lease liability	6,001	13,311
Dividend from subsidiary	(5,300,000)	(8,400,000)
Loss on deferred purchase consideration	(941,789)	6,096,071
Unrealised foreign exchange fluctuation	20,970	21,761
Operating cash flows before changes in working capital	(7,862)	190,799
Trade receivables	(168,456)	59,087
Other receivables and prepayments	7,473	17,132
Contract assets	(9,289)	20,689
Trade payables and accruals	(24,563)	105,250
Other payables	(328,253)	(24,327)
Provision for unutilised leave	36,053	10,212
Net cash generated from operating activities	(494,898)	378,842
Net (taxes paid)/refund	(443)	–
Net cash (used in)/generated from operating activities	(495,341)	(378,842)
Cash flows from investing activities		
Purchase of plant and equipment	(3,314)	(10,670)
Dividend received from subsidiary	5,300,000	8,400,000
Investments made during the year	(16,007,772)	(9,319,375)
Net cash generated from investing activities	10,711,036	(930,045)
Cash flows from financing activities		
Interest paid	(1,151,548)	(937,729)
Proceeds from issue of shares	7,168,168	–
Proceeds from borrowings	10,711,640	9,100,000
Repayments of borrowing	(8,725,000)	(5,163,950)
Lease payment	(180,000)	(180,000)
Amount due to holding company and related companies	2,007,540	(766,263)
Net cash generated from financing activities	9,830,800	2,052,058
Net increase/(decrease) in cash and cash equivalents	(1,375,576)	1,500,855
Cash and cash equivalents at the beginning of financial year	1,666,553	165,698
Cash and cash equivalents at the end of financial year	290,977	1,666,553

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

1. Corporate information

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

The registered office and principal place of business are at 61 Seletar Aerospace View, Pratt & Whitney Singapore Components Repair, Singapore 797560.

The principal activities of the Company are to provide service and solutions to diverse industries such as aerospace, learning capabilities and associated actionable insights. There have been no significant changes in the nature of these activities during the financial year.

The Company is a wholly-owned subsidiary of "Cyient Limited", a company incorporated in the Republic of India and listed on the National Stock Exchange of India. Cyient Limited is the ultimate holding company of Cyient Singapore Private Limited.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("S\$"), which is the functional currency of the Company, except when otherwise indicated.

The financial statements of the Company have been prepared on a going concern basis, notwithstanding that the Company incurred profits after income tax of S\$5,048,006 (2024: profit after income tax of S\$1,326,487), and the Company is in a net current liabilities position of S\$19,835,743 (2024: S\$23,465,634) and net assets position of S\$25,317,514 (2024: S\$13,101,340) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern. In view of the undertaking by the ultimate holding company to provide continuing financial support, management is of the view that the Company will have adequate cash flows for the next twelve months from the date the financial statements are authorised for issue.

2.2 Basis of consolidation

Consolidated financial statements comprising the financial statements of the Company and its subsidiary have not been prepared as the Company is a wholly-owned subsidiary of Cyient Limited, incorporated in Republic of India, which prepares and publishes consolidated financial statements available for public use. The consolidated financial statements of Cyient Limited are available on the National Stock Exchange of India.

2.3 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

2. Material accounting policy information (cont'd)

2.4 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendment to FRS 116 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to FRS 7 <i>Statement of Cash Flows</i> and FRS 107 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

2.5 Currency translation

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

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. 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 measured.

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

2. Material accounting policy information (cont'd)

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Furniture and fittings	10%
Office equipment	10%
Computers and software	33%
Plant and machinery	10%

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each balance sheet date, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

2.7 Subsidiary

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

Investments in subsidiary is accounted for at cost less impairment losses.

2.8 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 to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Material accounting policy information (cont'd)

2.8 Leases – As lessee (cont'd)

(a) 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, as follows:

	Years
Office premise	3

If ownership of the leased asset is transferred 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 as described in Note 2.9.

(b) 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) 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.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because 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.

2. Material accounting policy information (cont'd)

2.8 Leases – As lessee (cont'd)

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of certain private buildings (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 are recognised as expense on a straight-line basis over the lease term.

2.9 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

2. Material accounting policy information (cont'd)

2.10 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The Company classifies the measurement category of its debt instrument as:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.11 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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 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.

The Company considers a financial asset in default when contractual payments are 30 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 flows.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks.

2.13 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.

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Material accounting policy information (cont'd)

2.15 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.16 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund, a defined contribution pension scheme in Singapore. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) 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 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.

2.17 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 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.

Engineering services income

The Company earns revenue primarily from providing services and solutions to diverse industries such as aerospace, learning capabilities and associated actionable insights. The service is primarily related to engineering services in various industries. Engineering services income is recognised over the term of the contract, whilst revenue related to other fixed price contracts are recognised in accordance with the percentage of completion method ("PMC"). Percentage is measured by reference to the milestones completed in proportion to the deliverable as per the contracts with the customers.

The contract sum is apportioned over each milestone to be completed based on the input (efforts) required to complete the milestones. Revenue is recognised in accordance with the milestones completed. Provision for estimated losses on incomplete contracts are recorded in the year in which losses become probable based on the current contract estimates.

2. Material accounting policy information (cont'd)

2.17 Revenue recognition (cont'd)

For services accounted for under the PCM method, earnings in excess of billings are classified as contract assets, while billing in excess of earnings are classified as contract liabilities.

Revenue from time and material contracts is recognised as the services are rendered.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts as receipt of consideration is conditional on successful completion of individual milestone and approval by customer. Upon completion of the customisation and implementation milestone as detailed in the contract with customer and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Advance from customers and deferred revenue ("contract liabilities") is recognised when there are billings in excess of revenues.

Contracts are subjected to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

2.18 Taxes

(a) Current income tax

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

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

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

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

2. Material accounting policy information (cont'd)

2.18 Taxes (cont'd)

(b) Deferred tax (cont'd)

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the 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 except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2.19 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

2. Material accounting policy information (cont'd)

2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future period.

3.1 Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

Accounting for earn-outs

On April 26, 2022, the Company entered into a Share Purchase Agreement ("SPA") to acquire 100% of the issued capital of Grit Consulting Pte Ltd ('Grit') for an upfront cash consideration of S\$25,000,000 and earn-out payments based on future performance of the subsidiary over the next two years.

In the absence of continuing employment clauses, the assessment of whether earn-outs are consideration or remuneration can require significant management judgement. Management has assessed the terms of the SPA and determined that earn-outs are contingent consideration.

On 10th June 2024, the Company has made the full consideration of earnout payments to the vendors of GRIT amounting to S\$16,007,722 upon the satisfaction of the earnout criteria as per the SPA signed on 26th April, 2022.

3. Material accounting policy information (cont'd)

3.2 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

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

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Company's trade receivables is disclosed in Note 13.

4. Revenue

	2025 S\$	2024 S\$
Type of income:		
Engineering services income	2,626,160	2,562,313
Timing of transfer of services – over time	2,626,160	2,562,313

There is no variable consideration recognised during the financial year.

5. Other income

	2025 S\$	2024 S\$
Dividend received	5,300,000	8,400,000
Loss on fair valuation (Note 21)	–	(6,096,071)
Other miscellaneous gain/(loss)	365,245	(9,465)
Bad debts written off	6,023	–
	5,671,268	2,294,464

Cyient Singapore Private Limited**Notes to the financial statements
For the financial year ended 31 March 2025****6. Salaries and employee benefits**

	2025 S\$	2024 S\$
Salaries and bonus	1,971,646	1,802,080
Central Provident Fund contributions	297,263	263,864
Provision for unutilised leave, net (Note 19)	54,443	10,212
Staff welfare	18,032	16,935
Share-based payments	–	10,519
	2,701,923	2,103,610

Compensation of directors and key management personnel

The compensation of director and other members of key management during the year were as follows:

	31.03.2025 S\$	31.03.2024 S\$
Director's remuneration	360,539	–

7. Finance costs

	2025 S\$	2024 S\$
Interest expense on loans	461,520	237,093
Interest expense on bank loans	546,590	600,916
Corporate guarantee fees	143,438	99,720
Interest expense on lease liabilities	6,001	13,311
	1,157,549	951,040

8. Profit/(loss) before income tax

The following items have been included in arriving at profit/(loss) before income tax:

	2025 S\$	2024 S\$
Depreciation of plant and equipment (Note 10)	16,785	15,726
Depreciation of right-of-use asset (Note 11)	169,195	169,195
Net foreign exchange loss	–	–

9. Income tax expense***Relationship between tax expense/(credit) and loss before income tax***

A reconciliation between tax expense/(credit) and the product of profit/(loss) before income tax multiplied by the applicable corporate tax rate for the years ended 31 March 2025 and 2024 are as follows:

	2025 S\$	2024 S\$
Profit/(loss) before income tax	4,875,452	1,326,487
Income tax using the corporate tax rate of 17% (2024: 17%)	828,827	225,502
Tax effects on:		
- Expenses not deductible for tax purposes	–	1,042,311
- Non-taxable income	(1,061,104)	(1,428,000)
- Deferred tax assets not recognised	59,724	160,187
Income tax expense recognised in profit or loss	172,553	–

Deferred tax assets not recognised are as follows:

	2025 S\$	2024 S\$
Unutilised tax losses	2,481,919	2,481,919

Deferred income tax assets arising from unutilised tax losses and other temporary differences are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unutilised tax losses and other temporary differences at the reporting date which can be carried forward and used to offset against future taxable profits of the Company, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

Cyient Singapore Private Limited

Notes to the financial statements
For the financial year ended 31 March 2025

10. Plant and equipment

	Furniture and fittings S\$	Office equipment S\$	Computers and software S\$	Plant and machinery S\$	Total S\$
Cost:					
At 1 April 2023	2,715	2,747	603,505	78,412	687,379
Additions	520	150	10,000	–	10,670
At 31 March 2024 and 1 April 2024	3,235	2,897	613,505	78,412	698,049
Additions	–	3,314	–	–	3,314
At 31 March 2025	3,235	6,211	613,505	78,412	701,363
Accumulated depreciation:					
At 1 April 2023	1,237	2,610	571,071	52,872	627,790
Charge for the year	353	28	7,896	7,449	15,726
At 31 March 2024 and 1 April 2024	1,590	2,638	578,967	60,321	643,516
Charge for the year	357	567	8,413	7,449	16,785
At 31 March 2025	1,947	3,204	587,379	67,770	660,300
Net carrying amount:					
At 31 March 2025	1,288	3,007	26,126	10,642	41,063
At 31 March 2024	1,645	259	34,538	18,091	54,533

11. Right-of use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	2025 S\$
Cost	
1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	507,585
Accumulated depreciation	
1 April 2023, 31 March 2024 and 1 April 2024	(281,992)
Charge for the year	(169,195)
At 31 March 2025	(451,187)

Cyient Singapore Private Limited**Notes to the financial statements
For the financial year ended 31 March 2025****11. Right-of use assets (cont'd)**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period: (cont'd)

	2025 S\$
Carrying amount	
At 31 March 2024	225,593
At 31 March 2025	56,398

12. Investment in a subsidiary

	2025 \$	2024 \$
<u>Unquoted shares, at cost</u>		
At beginning of the year	45,705,752	45,705,752
At 31 March	45,705,752	45,705,752

The details of the subsidiary are as follow:

Name (Country of incorporation and principal place of business)	Principal activity	Proportion (%) of ownership interest	
		2025	2024
GRIT Consulting Pte Ltd (Singapore)	Consultancy services	100%	100%

On 26 April 2022, the Company has entered into a Share Purchase Agreement ("SPA") to acquire 10,000 ordinary shares, which constitute 100% shareholding interest in Grit Consulting Pte. Ltd. ('Grit'). The transaction was settled via cash consideration of S\$25,000,000 and contingent consideration of S\$20,705,752, which represents its fair value at the reporting date, subject to the satisfaction of certain conditions relating to the future performance of the subsidiary over the next two years.

On 10th June 2022, the Company has made the full consideration of earnout payments to the vendors of GRIT amounting to S\$16,007,722 upon the satisfaction of the earnout criteria as per the SPA signed on 26th April, 2022.

Cyient Singapore Private Limited

Notes to the financial statements
For the financial year ended 31 March 2025

13. Trade receivables

	2025 S\$	2024 S\$
Third parties	445,768	283,854
Less: Allowance for expected credit loss	(518)	(6,542)
Total trade receivables, net	445,768	277,312

Trade receivables are non-interest bearing and generally have an average credit period of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables that are denominated in foreign currencies are as follows:

	2025 S\$	2024 S\$
United States Dollar	374,296	208,040

Receivables that are past due but not impaired

The aging profile of these receivables is as follows:

	2025 S\$	2024 S\$
Not past due	267,510	268,314
Past due less than 30 days	178,258	11,852
Past due 31 to 60 days	–	2,479
Past due greater than 60 days	–	1,209
	445,768	283,854

Expected credit losses

Movements of allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	2025 S\$	2024 S\$
At 1 April	6,542	6,542
Charge for the year	(6,024)	–
At 31 March	518	6,542

Cyient Singapore Private Limited**Notes to the financial statements
For the financial year ended 31 March 2025**

14. Other receivables

	2025 S\$	2024 S\$
Current:		
Security deposits	47,432	47,432
Amounts due from holding company	27,409	983,056
Amounts due from related companies	1,004,942	1,100,786
Total other receivables	1,079,783	2,131,274

The amount due from holding and related companies are unsecured, interest free and repayable on demand.

Other receivables that are denominated in foreign currencies are as follows:

	2025 S\$	2024 S\$
Indian Rupee	–	1,011
United States Dollar	–	351,480
Euro	15,840	15,894

15. Contract assets

Information about contract assets from contracts with customers are disclosed as follows:

	2025 S\$	2024 S\$
Contract assets	143,138	133,849

16. Cash at bank

Cash at bank represents the Company's total cash and cash equivalents.

Cash at bank that are denominated in foreign currencies are as follows:

	2025 S\$	2024 S\$
United States Dollar	67,511	73,613

Cyient Singapore Private Limited**Notes to the financial statements
For the financial year ended 31 March 2025****17. Trade payables and accruals**

	2025 S\$	2024 S\$
GST payables	66,877	33,511
Accruals	180,653	238,579
Unearned revenue	(2)	–
	<u>247,528</u>	<u>272,090</u>

These amounts are non-interest bearing and has an average term of 30-60 days.

Trade payables and accruals are denominated in Singapore dollars.

18. Other payables

	2025 S\$	2024 S\$
Sundry payables	31,745	4,575
Amount due to holding company	408,558	1,611,820
Amount due to related companies	731,656	299,007
Interest accrued	584,425	140,804
	<u>1,756,384</u>	<u>2,056,206</u>

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

Other payables that are denominated in foreign currencies are as follows:

	2025 S\$	2024 S\$
Australian Dollar	278,404	–
Indian Rupee	171,938	141,890
United States Dollar	251,248	392,533

19. Provision for unutilised leave

	2025 S\$	2024 S\$
At 1 April	113,514	103,302
Utilised/ encashed during the year	(18,390)	(44,262)
Charge for the year	54,443	54,474
	<u>149,567</u>	<u>113,514</u>

Notes to the financial statements
For the financial year ended 31 March 2025

20. Lease liabilities

The Company has a contract for leases of an office premise with a lease term of 3 years. The following is the movement in lease liabilities during the year ended:

	2025 S\$	2024 S\$
At 1 April	218,678	385,367
Addition	–	–
Accretion of interest	6,001	13,311
Payments	(180,000)	(180,000)
	<hr/> 44,678	<hr/> 218,678
At 31 March	<hr/> 44,678	<hr/> 218,678
Current	44,678	173,999
Non-current	–	44,679
	<hr/> 44,678	<hr/> 218,678
At 31 March	<hr/> 44,678	<hr/> 218,678

The following are amounts recognised in profit or loss:

	2025 S\$	2024 S\$
Depreciation expense of right-of-use assets	169,195	169,195
Interest expense on lease liabilities	6,001	13,311
	<hr/> 175,196	<hr/> 182,506
Total amount recognised in profit or loss	<hr/> 175,196	<hr/> 182,506

The Company had total cash outflows for leases of S\$180,000 (2024: S\$180,000).

21. Contract liabilities

	2025 S\$	2024 S\$
Current	16,007,722	16,007,722
	<hr/> 16,007,722	<hr/> 16,007,722
As at 1 April	16,007,722	19,231,026
Add: Loss on deferred purchase consideration	–	6,096,071
Less: Payment made during the year	16,007,722	–
Less: Investments made during the year	–	(9,319,375)
	<hr/> –	<hr/> (9,319,375)
As at 31 March	<hr/> –	<hr/> 16,007,722

Contract liabilities which arose from the acquisition of Grit during the year, are contingent liabilities arising from a clause in the SPA that entitles the Grit vendors to earn additional consideration upon Grit meeting certain earn-out targets based on earn-out formula as described in the SPA. The full obligation is settled as on 10th June 2024.

Cyient Singapore Private Limited

Notes to the financial statements
For the financial year ended 31 March 2025

22. Borrowings

	2025 S\$	2024 S\$
Current		
- Bank borrowings	70,00,000	3,125,000
- Loan from subsidiary	3,370,000	1,500,000
- Loan from related parties	9,466,640	4,500,000
Non-current		
- Bank borrowings	–	9,375,000
- Loan from related parties	6,00,000	–
	20,846,640	18,500,000

Bank borrowings

The bank borrowings are repayable in quarterly instalments over a period of 5 years. The weighted average effective interest rate is SORA+1.00% (2024: SORA+1.00%) per annum.

Loan from subsidiary/related parties

The loan from subsidiaries and related companies are unsecured and repayable on demand. The weighted average effective interest rate is SORA+1.00% (2024: SORA+1.00%) per annum.

A reconciliation of liabilities arising from financing activities is as follows:

	At beginning of the year S\$	Cash flows S\$	Non-cash changes S\$	At end of the year S\$
2025				
Amounts due to holding company	1,611,820	(1,203,262)	–	408,558
Amounts due to related companies	299,007	(151,776)	584,425	731,655
Lease liabilities	218,678	(173,999)	–	44,679
Borrowings	18,500,000	1,336,640	–	19,836,640
	20,629,505	192,398	584,425	21,021,532

Cyient Singapore Private Limited

Notes to the financial statements
For the financial year ended 31 March 2025

22. Borrowings (cont'd)

Loan from subsidiary/related parties (cont'd)

A reconciliation of liabilities arising from financing activities is as follows: (cont'd)

	At beginning of the year S\$	Cash flows S\$	Non-cash changes S\$	At end of the year S\$
2024				
Amounts due to holding company	2,290,030	(678,210)	–	1,611,820
Amounts due to related companies	311,779	(153,577)	140,805	299,007
Lease liabilities	385,367	(180,000)	13,311	218,678
Borrowings	14,563,950	3,936,050	–	18,500,000
	17,551,126	2,924,263	154,116	20,629,505

23. Share capital

	2025		2024	
	No of shares	S\$	No of shares	S\$
Issued and fully paid ordinary shares:				
At 1 April	21,705,328	24,753,508	19,833,744	17,585,340
Issuance during the year	–	–	–	–
At 31 March	21,705,328	24,753,508	19,833,744	17,585,340

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 restrictions. The ordinary shares have no par value.

24. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties, took place on terms agreed between the parties during the financial year:

	2025 S\$	2024 S\$
Immediate holding company		
(Recharge)/purchase of services	(1,012,351)	(34,439)
Corporate guarantee fees paid	143,438	99,720
Reimbursement of expenses paid by/(on behalf of) immediate holding company	124,117	(11,414)
Related companies		
Reimbursement of expenses paid on behalf of related companies	25,777	(70,053)

25. Commitments

The following were issued by a bank to third parties on the Company's behalf:

	2025 S\$	2024 S\$
Performance bond	309,390	309,390

26. Financial instruments**(a) Categories of financial instruments**

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

	2025 S\$	2024 S\$
Financial assets		
Amortised cost:		
- Trade receivables	445,769	277,312
- Other receivables	1,079,828	2,132,049
- Cash at bank	290,977	1,666,553
Total financial assets	1,816,573	4,075,914
Financial liabilities		
Amortised cost:		
- Trade payables and accruals	180,651	238,579
- Other payables	1,756,384	2,056,206
- Borrowings	20,486,640	18,500,000
- Lease liabilities	44,679	218,678
Total financial liabilities	22,468,354	21,013,463

26. Financial instruments (cont'd)

(b) Fair value measurements

Assets and liabilities not measured at fair value

(i) *Trade receivables and trade payables*

The carrying amounts of these receivables and payables (including trade balances due from/to related companies) 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.

(iii) *Borrowings*

The carrying amounts bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

27. Financial risk management objectives and policies

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 foreign currency 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.

(a) 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 at banks that is sufficient for working capital purpose.

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 is dependent on the ultimate holding company's continuing financial support to meet its liabilities as and when they fall due.

27. Financial risk management objectives and policies (cont'd)**(a) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Company's financial assets used for managing liquidity risk and financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

Analysis of financial instruments by remaining contractual maturities

	Carrying amount S\$	Contractual cash flow S\$	Less than 1 year S\$	1 to 5 years S\$
2025				
Financial assets:				
Trade receivables	445,769	445,769	445,769	–
Other receivables	1,079,828	1,079,828	1,079,828	–
Cash at banks	290,978	290,978	290,978	–
Total undiscounted financial assets	1,816,573	1,816,573	1,816,573	–
Financial liabilities:				
Trade payables and accruals	(180,651)	(180,651)	(180,651)	–
Other payables	(1,756,384)	(1,756,384)	(1,756,384)	–
Lease liabilities	(44,678)	(44,678)	(44,678)	–
Borrowings	(20,486,640)	(20,486,640)	(20,486,640)	–
Total undiscounted financial liabilities	(22,468,354)	(22,468,354)	(22,468,354)	–
Total net undiscounted financial liabilities	(20,651,781)	(20,651,781)	(20,651,781)	–

27. Financial risk management objectives and policies (cont'd)**(a) Liquidity risk (cont'd)**Analysis of financial instruments by remaining contractual maturities (cont'd)

	Carrying amount S\$	Contractual cash flow S\$	Less than 1 year S\$	1 to 5 years S\$
2024				
Financial assets:				
Trade receivables	277,312	277,312	277,312	–
Other receivables	2,132,049	2,132,049	2,132,049	–
Cash at banks	1,666,553	1,666,553	1,666,553	–
Total undiscounted financial assets	4,075,914	4,075,914	4,075,914	–
Financial liabilities:				
Trade payables and accruals	(238,579)	(238,579)	(238,579)	–
Other payables	(2,056,206)	(2,056,206)	(2,056,206)	–
Lease liabilities	(218,678)	(218,678)	(44,679)	(173,999)
Borrowings	(18,500,000)	(18,500,000)	(9,125,000)	(9,375,000)
Total undiscounted financial liabilities	(21,013,463)	(21,013,463)	(11,464,464)	(9,548,999)
Total net undiscounted financial liabilities	(16,937,549)	(16,937,549)	(7,388,550)	(9,548,999)

(b) 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 contract assets. 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.

27. Financial risk management objectives and policies (cont'd)

(b) 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 90 days past the credit due dates, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Cash at banks are placed with credit worthy financial institutions.

Trade and other receivables and contract assets

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 the initial recognition of the financial assets. For trade receivables and contract assets the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Company has a significant concentration of credit risk in relation to a certain external customer. As at end of financial year, the trade receivable balance comprises of three customers' balance that comprise 88% (2024: 84%) of the trade receivable balance. The management does not foresee any risk of default or expected credit loss arising from these parties as they are creditworthy customers. Further details of credit risks on trade receivables are disclosed in Note 3 to the financial statements.

The Company's other receivables mainly comprise of amounts due from related companies and holding company for which no risk of default is foreseen. Security deposits relate to rental deposit for office lease.

The carrying amount of the Company's trade receivables, other receivables and cash at banks represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

(c) Foreign currency risk

Foreign currency received are kept in a foreign currency account and converted to Singapore Dollar on a need to basis so as to minimise the foreign currency exposure.

The Company is exposed to foreign exchange risk arising from its receivables and payables that are in Australian Dollar, Indian Rupee and United States Dollar. The management monitors closely the foreign currency debtors and creditors to collect the receivables and settle the payable amounts at the earliest to minimise the foreign exchange risk.

27. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk (cont'd)

As at financial year end, the carrying amount of monetary assets and liabilities denominated in currencies other than in Singapore Dollar are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

Any increase or decrease in the following foreign currency will have an impact on the financial statements. An increase of 10% in the currency rate against Singapore Dollar will increase/(decrease) the profit/(loss) before income tax of the Company by the following amount:

	Profit/(loss) before tax	
	2025	2024
	S\$	S\$
Australian Dollar	(27,840)	–
Indian Rupee	(17,194)	(14,088)
United States Dollar	12,305	34,496
EURO	1,584	1,589

28. Capital management

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

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2025 and 2024.

29. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 31 May 2025.