GMR AIRPORTS (SINGAPORE) PTE. LTD.
Company Registration No. 201924150R

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

GMR Airports (Singapore) Pte. Ltd.

General Information

Directors

Puvan Sripathy
Vivek Singhal
Ranganathan Venkataramani

Company Secretary

Sinha Mithilesh Kumar

Registered Office

33A Chander Road
Singapore 219539

Auditor

CA.sg PAC

Principal Bankers

AfrAsia Bank Limited
ICICI Bank Limited
National Bank of Greece S.A. Cyprus Branch
Union Bank Ltd

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GMR Airports (Singapore) Pte. Ltd.

Directors' Statement
For the year ended 31 December 2022

The directors present the statement to the member together with the audited financial statements of the company for the year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the company for the year then ended; and

(b) at the date of this statement, having regard to the financial support from its intermediate holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Directors

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

Puvan Sripathy
Vivek Singhal
Ranganathan Venkataramani (appointed on 12 January 2023)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during that year did there subsist any arrangements to which the company was a party whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Directors' interests in shares or debentures

According to the register kept under Section 164 of the Singapore Companies Act 1967, none of the directors of the company who held office at the end of the financial year have any interest in the shares or debentures of the company or its related corporations.

Share options

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

There were no shares issued during the financial year 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 at the end of the financial year.

Auditor

The auditor, CA.sg PAC, has expressed its willingness to accept reappointment.

For and on behalf of the Board

Puvan Sripathy

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Puvan Sripathy
Director

Vivek Singhal

....
Vivek Singhal
Director

15 May 2023

CA.SG PAC
(UEN : 201403139W)
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INDEPENDENT AUDITOR'S REPORT
to the member of
GMR AIRPORTS (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GMR Airports (Singapore) Pte. Ltd. (the "company"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore 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 2022 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the 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.

INDEPENDENT AUDITOR'S REPORT
to the member of
GMR AIRPORTS (SINGAPORE) PTE. LTD. (continued)

Report on the Audit of the Financial Statements (continued)

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 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.

INDEPENDENT AUDITOR'S REPORT
to the member of
GMR AIRPORTS (SINGAPORE) PTE. LTD. (continued)

Report on the Audit of the Financial Statements (continued)

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

- 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.

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.

CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

15 May 2023

GMR Airports (Singapore) Pte. Ltd.

Statement of Financial Position
as at 31 December 2022

	Note	2022 US$	2021 US$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	4	832,072	1,181,796
Other receivables	5	89,238	87,974
		921,310	1,269,770
Current Assets			
Other receivables	5	563,134	548,696
Cash and cash equivalents	6	2,584,811	1,654,121
		3,147,945	2,202,817
Total Assets		4,069,255	3,472,587
Current Liabilities			
Other payables	7	7,712,719	3,923,947
Lease liabilities	8	320,806	300,322
		8,033,525	4,224,269
Non-Current Liabilities			
Other payables	7	32,956	32,956
Lease liabilities	8	439,268	736,058
		472,224	769,014
Total Liabilities		8,505,749	4,993,283
Net Current Liabilities		(4,885,580)	(2,021,452)
Net Liabilities		(4,436,494)	(1,520,696)
EQUITY			
Share capital	9	430,000	430,000
Accumulated losses		(4,866,494)	(1,950,696)
Total Equity		(4,436,494)	(1,520,696)

The annexed notes form an integral part of and should be
read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

Statement of Comprehensive Income
for the year ended 31 December 2022

	Note	2022 US$	2021 US$
Revenue	10	2,099,066	4,986,979
Cost of sales		-	-
Gross profit		2,099,066	4,986,979
Other operating income	11	98,088	545
Administrative expenses	12	(5,094,277)	(3,843,466)
Finance costs	13	(18,675)	(24,822)
(Loss)/Profit before income tax expense	14	(2,915,798)	1,119,236
Income tax expense	15	-	-
Net (loss)/profit for the year		(2,915,798)	1,119,236
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the year		(2,915,798)	1,119,236

The annexed notes form an integral part of and should be
read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital US$	Accumulated losses US$	Total US$
At 1 January 2021	430,000	(3,069,932)	(2,639,932)
Total comprehensive income for the year	-	1,119,236	1,119,236
At 31 December 2021	430,000	(1,950,696)	(1,520,696)
Total comprehensive loss for the year	-	(2,915,798)	(2,915,798)
At 31 December 2022	430,000	(4,866,494)	(4,436,494)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

Statement of Cash Flows
for the year ended 31 December 2022

	2022 US$	2021 US$
Cash flows from operating activities		
(Loss)/Profit before income tax	(2,915,798)	1,119,236
Adjustments for:-		
Depreciation expense	401,390	404,301
Interest income	-	(205)
Interest expense	18,675	24,822
Allowance for expected credit loss on other receivables	241,515	-
Provision for leave encashment	322,194	-
Operating (loss)/profit before working capital changes	(1,932,024)	1,548,154
Decrease in other receivables	(257,217)	(128,082)
(Decrease)/Increase in other payables	(183,422)	138,324
Cash (used in)/generated from operations	(2,372,663)	1,558,396
Interest received	-	205
Interest paid	(18,675)	(24,822)
Net cash (used in)/generated from operating activities	(2,391,338)	1,533,779
Cash flows from investing activity		
Acquisition of property, plant and equipment	(5,513)	(4,764)
Net cash used in investing activity	(5,513)	(4,764)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(322,459)	(329,432)
Increase in amount owing to immediate holding company	3,650,000	500,000
Increase in amount owing by intermediate holding company	-	(368,619)
Net cash generated from/(used in) financing activities	3,327,541	(198,051)
Net increase in cash and cash equivalents	930,690	1,330,964
Cash and cash equivalents at beginning of the year	1,654,121	323,157
Cash and cash equivalents at end of the year	2,584,811	1,654,121

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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

1. Corporate information

The company (company registration no. 202024150R) is a limited liability company which is incorporated in the Republic of Singapore with the registered office at 33A Chander Road Singapore 219539 and the principal place of business at 135 Cecil Street, #14-01 Philippine Airlines Building, Singapore 069536.

The principal activities of the company are those of infrastructure engineering design and consultancy services.

The immediate holding company is GMR Airports International B.V., a company incorporated in Netherlands, which owns 100% of the issued ordinary share capital of the company. The ultimate holding company is GMR Enterprises Private Limited, a company incorporated in India. Related companies in these financial statements refer to companies within the GMR Enterprises Private Limited group of companies.

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards ("FRS").

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

The company incurred a net loss of US$2,915,798 for the year ended 31 December 2022 and as at 31 December 2022, the company's current liabilities exceed its current assets by US$4,885,580 (2021: US$2,021,452) and there was a deficit in shareholder's funds of US$4,436,494 (2021: US$1,520,696). These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the financial statements are prepared on the going concern basis as the intermediate holding company has given an undertaking to provide continual financial support to the company to enable it to continue as a going concern and meet its liabilities as and when they fall due. Additionally, the company issued an additional 6,000,000 ordinary shares for US$6,000,000 by way of capitalising the amount owing to its immediate holding company subsequent to the end of the financial year for additional working capital.

The financial statements are presented in United States Dollars ("US$") and all values are presented to the nearest dollar except where indicated otherwise.

2. **Summary of significant accounting policies** (continued)

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the company.

2.3 Financial assets

(a) Classification and measurement

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in 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 three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The company only has debt instruments at 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 the amortisation process.

2. **Summary of significant accounting policies** (continued)

2.3 **Financial assets** (continued)

(a) Classification and measurement (continued)

Derecognition

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

(b) Impairment

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).

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 flows.

2. **Summary of significant accounting policies** (continued)

2.4 **Property, plant and other equipment**

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

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use, and includes the costs of dismantlement, removal or restoration, the obligation for which the company incurs as a consequence of installing the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the statement of comprehensive income.

Depreciation is calculated on the straight line basis so as to write off the cost of the assets over their estimated useful lives as follows:-

Computers and software	3 years
Office premise	Over the lease period of 5 years
Office equipment	3 years
Furnitures and fixtures	5 years
Leasehold improvement	5 years
Motor vehicle	Over the lease period of 2 years

The carrying values of property, 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 financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. The effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the period when the asset is derecognised. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. **Summary of significant accounting policies** (continued)

2.5 Impairment of non-financial assets

The carrying amounts of the company's assets are reviewed at the date of each statement of financial position to determine whether there is any objective evidence that a financial asset is impaired. If such indication exists, the assets' recoverable amount is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income unless it reverses a previous revaluation, credited to equity, in which case it will be charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. The 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 the statement of comprehensive income, unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 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 FVPL, directly attributable transaction costs.

Subsequent measurement

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

2. **Summary of significant accounting policies** (continued)

2.6 **Financial liabilities** (continued)

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.

2.7 **Other payables**

Other payables represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.8 **Provisions**

Provisions are recognised when :-

(i) the company has a present obligation (legal or constructive) as a result of past events;

(ii) it is probable that an outflow of resources will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

2.9 **Leases**

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.

(a) As lessee

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. **Summary of significant accounting policies** (continued)

2.9 **Leases** (continued)

(a) 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 2.5.

The company's right-of-use assets are presented within property, plant and equipment (Note 4).

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.

2. **Summary of significant accounting policies** (continued)

2.9 **Leases** (continued)

(a) As lessee (continued)

Lease liabilities (continued)

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.

The company's lease liabilities are disclosed separately (Note 8).

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.

2.10 **Deferred taxation**

Deferred taxation is provided, using the liability method, on all temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on the tax rates enacted or substantively enacted at the date of the statement of financial position.

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

2. **Summary of significant accounting policies** (continued)

2.11 Revenue recognition

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

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.

Service income

Revenue from the provision of consultancy services is recognised when the services are rendered.

2.12 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When 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.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity.

2. **Summary of significant accounting policies** (continued)

2.14 Foreign currency

(i) Functional currency

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("functional currency"). The financial statements are presented in United States Dollars, which is also the functional currency of the company.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the date of the statement of financial position. 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 date of the statement of financial position are recognised in the statement of comprehensive income.

2.15 Employee benefits

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

2.16 Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

2. **Summary of significant accounting policies** (continued)

2.17 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

2.18 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the shareholders or key management personnel.

3. Significant accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRSs requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Significant accounting estimates and assumptions

Useful lives of property, plant and equipment

The cost of property, plant and equipment for the company's operations is depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 2 to 5 years. These are common life expectancies applied in the industry. Changes in the expected levels of usage could impact the economic useful lives and the residual value of these assets and accordingly, future depreciation charges could be revised. The carrying values of the company's property, plant and equipment are as disclosed in note 4.

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management will estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. Significant accounting estimates, assumptions and judgements (continued)

3.1 Significant accounting estimates and assumptions (continued)

Income taxes

Significant judgement and assumptions are involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2 Critical judgements in applying the entity's accounting policies

The following are the judgements made by management in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at the date of the statement of financial position, there is no indication of impairment and the carrying value of the company's property, plant and equipment is as disclosed in note 4.

Determination of lease term of contracts with extension options

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has a lease contract that include extension options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

As at 31 December 2022, potential future (undiscounted) cash outflows of approximately US$1,013,440 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

3. **Significant accounting estimates, assumptions and judgements** (continued)

3.2 **Critical judgements in applying the entity's accounting policies** (continued)

Leases – estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. Property, plant and equipment

	Computers and software US$	Office premise US$	Office equipment US$	Furniture and fittings US$	Leasehold improvement US$	Motor vehicle US$	Total US$
Cost							
At 1 January 2021	5,669	1,583,271	32,000	103,250	228,200	43,382	1,995,772
Additions	2,117	-	-	2,647	-	-	4,764
At 31 December 2021	7,786	1,583,271	32,000	105,897	228,200	43,382	2,000,536
Additions	5,513	-	-	-	-	46,153	51,666
At 31 December 2022	13,299	1,583,271	32,000	105,897	228,200	89,535	2,052,202
Accumulated Depreciation							
At 1 January 2021	2,077	333,971	7,041	18,670	41,264	11,416	414,439
Depreciation charge	2,573	296,863	10,667	21,159	45,640	27,399	404,301
At 31 December 2021	4,650	630,834	17,708	39,829	86,904	38,815	818,740
Depreciation charge	3,632	296,863	10,667	21,179	45,640	23,409	401,390
At 31 December 2022	8,282	927,697	28,375	61,008	132,544	62,224	1,220,130
Net Carrying Value							
At 31 December 2022	5,017	655,574	3,625	44,889	95,656	27,311	832,072
At 31 December 2021	3,136	952,437	14,292	66,068	141,296	4,567	1,181,796

4. **Property, plant and equipment** (continued)

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

Additions to property, plant and equipment are acquired by way of :-

	2022 US$	2021 US$
Cash	5,513	4,764
Lease liabilities	46,153	-
	51,666	4,764

5. **Other receivables**

	2022 US$	2021 US$
Non-current		
Deposit	89,238	87,974
Current		
Deposits	3,063	8,334
Prepayments	55,618	47,521
Amount due from a director	18,363	7,323
Amount due from intermediate holding company	368,619	368,619
Advances to staff	12,979	12,407
Other receivables	346,007	104,492
	804,649	548,696
Less: Allowance for expected credit loss on other receivables	(241,515)	-
	563,134	548,696
	652,372	636,670

5. **Other receivables** (continued)

Other receivables are denominated in the following currencies :-

	2022 US$	2021 US$
Indonesian Rupiah	10,645	-
Singapore Dollars	149,165	155,373
United States Dollars	492,562	473,110
United Arab Emirates Dirham	-	8,187
	652,372	636,670

Non-current deposit comprises the security deposit paid in relation to the lease of office premise. The deposit is refundable at the end of the lease term.

The amount due from a director comprises advances to the director for business travelling purpose. It is unsecured, non-interest bearing and repayable on demand.

The amount due from intermediate holding company and advances to staff are unsecured, non-interest bearing and repayable on demand.

The movement in the allowance for expected credit loss during the financial year is as follows:

	2022 US$	2021 US$
Balance at beginning of the year	-	-
Allowance made during the year	241,515	-
Balance at end of the year	241,515	-

6. **Cash and cash equivalents**

Cash and cash equivalents are denominated in the following currencies :-

	2022 US$	2021 US$
Euro	2,236,594	12,318
Singapore Dollars	81,645	10,411
United States Dollars	36,932	1,381,493
Philippine Peso	229,640	249,899
	2,584,811	1,654,121

6. Cash and cash equivalents (continued)

Included in cash and cash equivalents is a balance amounting to EUR2,088,000 (equivalent to US$2,225,453) held by a bank in a separate account pending clearance of certain bank procedures as at 31 December 2022.

7. Other payables

	2022 US$	2021 US$
Non-current		
Provision for reinstatement costs	32,956	32,956
Current		
Accrued expenses	43,156	102,483
Amount due to immediate holding company	7,340,000	3,690,000
Other payables	7,369	131,464
Provision for leave encashment	322,194	-
	7,712,719	3,923,947
	7,745,675	3,956,903

Other payables are denominated in the following currencies :-

	2022 US$	2021 US$
Singapore Dollars	385,475	110,737
United States Dollars	7,360,200	3,846,166
	7,745,675	3,956,903

The amount due to immediate holding company is an advance intended for an increase in the share capital of the company, of which US$6,000,000 was converted into share capital subsequent to the end of the financial year as disclosed in note 9 to the financial statements. The amount owing is unsecured, non-interest bearing and repayable on demand.

8. Lease liabilities

	2022 US$	2021 US$
Current:		
- Lease liabilities (Note 17)	320,806	300,322
Non-current:		
- Lease liabilities (Note 17)	439,268	736,058
	760,074	1,036,380

The lease liabilities are denominated in Singapore Dollars. The movements of lease liabilities are as follows:

	2022 US$	2021 US$
Balance at beginning of the year	1,036,380	1,365,812
Lease modification	46,153	-
Accretion of interest	18,675	24,822
Lease payments – principal portion paid	(322,459)	(329,432)
Interest paid	(18,675)	(24,822)
Balance at end of the year	760,074	1,036,380

9. Share capital

	2022 US$	2021 US$
Issued and fully paid :-		
430,000 ordinary shares	430,000	430,000

Subsequent to the end of the financial year, the company issued an additional 6,000,000 ordinary shares for US$6,000,000 by way of capitalising the amount owing to the immediate holding company for additional working capital.

The ordinary shares have no par value. The holder of ordinary share is entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

10. Revenue

(a) Disaggregation of revenue

The company generates revenue only from the provision of consultancy services.

(b) Company's performance obligations

(i) Point of revenue recognition

Revenue is recognised when the performance obligation is satisfied over time.

(ii) Significant payment terms

Invoices for services rendered are issued to the customers when the services are certified on milestone basis. Payment for these is due in 60 days. No element of financing is deemed present as the credit terms are consistent with market practice. Hence no interest is charged to customers.

The company does not have a policy to give discounts to customer.

(c) Methods, inputs and assumptions in determining revenue

The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. The transaction price, which may be fixed or variable, is then allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Management exercises judgement in determining the estimated variable consideration and in applying the constraint on the estimated variable consideration that can be included in the transaction price. Based on historical experience with customers, the management has determined that the effect of variable consideration is insignificant.

10. **Revenue** (continued)

(c) Methods, inputs and assumptions in determining revenue (continued)

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2022 may be recognised as revenue in the next reporting periods as follows:

	2023 US$'000	**2024 US$'000**	**2025 US$'000**	**Total US$'000**
Partially unsatisfied performance obligation as at:				
31 December 2022	4,555	2,277	1,518	8,350

11. Other operating income

	2022 US$	**2021 US$**
Interest income	-	205
Other income	-	340
Foreign exchange gain	98,088	-
	98,088	545

12. Administrative expenses

Included in administrative expenses are employee benefits expense as follows :-

	2022 US$	**2021 US$**
Directors of the company		
Directors' remuneration	1,962,879	2,071,830
Directors' CPF contributions	5,917	5,694
Directors' skills development levy	220	301
	1,969,016	2,077,825

12. **Administrative expenses** (continued)

	2022 US$	2021 US$
Other staff of the company		
Staff salaries and allowances	1,376,909	648,765
Staff CPF contributions	21,068	25,347
Staff skills development levy	829	750
Medical expenses	168	4,166
Staff welfare	166,016	141,931
	1,564,990	820,959
	3,534,006	2,898,784
Less: Job Support Scheme (JSS) (i)	-	(34,242)
Wage Credit Scheme (ii)	(845)	-
CPF Transition (iii)	(118)	-
Job Growth Incentive (iv)	(1,763)	-
	3,531,280	2,864,542

(i) The JSS grant was announced at the Budget 2020 (the "Unity Budget") in February 2020 for the purpose of providing wage support to employers to help companies retain their local employees (Singapore citizens and permanent residents) during the period of economic uncertainty arising from the COVID-19 situation. Under the JSS, the Government co-funds between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee.

(ii) Wage Credit Scheme (WCS) was introduced in 2013 as a three-year scheme, and subsequently extended to 2020, to support businesses embarking on transformation efforts and encourage sharing of productivity gains with workers. In Budget 2021, the WCS was extended by another year at a co-funding level of 15% to further support wage increments to help companies build up their local workforce and emerge stronger from COVID-19.

(iii) In 2019, the Government announced that CPF contribution rates will be raised gradually over this decade for Singaporean and Permanent Resident workers aged above 55 to 70 . When the increases have been fully implemented, those aged above 55 to 60 will have the same CPF contribution rates as younger employees, and the median 55-year-old member can expect his monthly retirement payouts to be boosted by close to 10% compared to under today's rates. Following the announcement in 2019, the first increase took effect from 1 January 2022. To mitigate the rise in business costs due to the increase of CPF contribution rates in 2022, the Government is providing employers with a one-year CPF Transition Offset equivalent to half of the increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ who is aged above 55 to 70.

12. **Administrative expenses** (continued)

(iv) The Government introduced Jobs Growth Incentive (JGI) to support employers to accelerate their hiring local workforce, so as to create good and long-term jobs for locals.

13. **Finance costs**

	2022 US$	2021 US$
Interest expense on lease liabilities (Note 17)	18,675	24,822

14. **(Loss)/Profit before income tax expense**

Other than as disclosed elsewhere in the financial statements, this is arrived at after charging the following :-

	2022 US$	2021 US$
Foreign exchange loss	-	44,116
Depreciation of property, plant and equipment	401,390	404,301
Allowance for expected credit loss on other receivables	241,515	-

15. Income tax expense

A numerical reconciliation between the accounting (loss)/profit and tax expense is as follows :-

	2022 US$	2021 US$
Accounting (loss)/profit	(2,915,798)	1,119,236
Tax at the applicable tax rate of 17%	(495,686)	190,270
Tax effect of :-		
- Income not subject to tax	-	(5,821)
- Expenses not deductible for tax purposes	83,509	33,379
- Tax deduction on renovation or refurbishment expenditure and contractual payment on right-of-use assets	(71,574)	(73,081)
- Other temporary differences	68,236	68,731
	(415,515)	213,478
Unabsorbed tax losses carried forward/ (Utilisation of tax losses)	415,515	(213,478)
Current income tax expense	-	-

As at 31 December 2022, the company has estimated unabsorbed tax losses and unutilised capital allowances amounting to US$4,234,400 (2021: US$1,790,200) and US$51,500 (2021: NIL) respectively for which deferred tax benefits have not been recognised in the financial statements because it is uncertain that future taxable profit will be available against which the company can utilise the benefits. However, the unabsorbed tax losses and unutilised capital allowances are available for offsetting against future taxable income subject to there being no substantial change in shareholders as required by the provisions of the Singapore Income Tax Act 1947.

16. Related party transactions

Related party transactions, on terms mutually agreed between the parties, are as follows:-

	2022 US$	2021 US$
Advances from immediate holding company	3,650,000	500,000
Recoverable expenses from intermediate holding company	-	368,619

17. Leases

Company as a lessee

The company has lease contracts for its office premise and motor vehicle. The company's obligations under these leases are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets. The lease contract includes extension options which are further discussed below.

The company also has lease of guest house with lease terms of 12 months or less. The company applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Office premise US$	**Motor Vehicle US$**	**Total US$**
At 1 January 2021	1,249,300	31,966	1,281,266
Depreciation	(296,863)	(27,399)	(324,262)
At 31 December 2021	952,437	4,567	957,004
Addition	-	46,153	46,153
Depreciation	(296,863)	(23,409)	(320,272)
At 31 December 2022	655,574	27,311	682,885

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 8.

(c) Amounts recognised in profit or loss

	2022 US$	**2021 US$**
Depreciation of right-of-use assets	320,272	324,262
Interest expense on lease liabilities (Note 13)	18,675	24,822
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases (included in administrative and other expenses)	126,134	250,735
Total amount recognised in profit or loss	465,081	599,819

17. **Leases** (continued)

(d) Total cash outflow

The company had total cash outflows for leases of US$467,268 (2021: US$604,989).

(e) Extension options

The company's lease contract includes extension options. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.2).

18. **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 payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

	2022 **US$**	**2021** **US$**
Net debt	5,160,864	2,302,782
Total equity	(4,436,494)	(1,520,696)
Total capital	724,370	782,086
Gearing ratio	712%	294%

The company is not subject to either internally or externally imposed capital requirements.

19. Financial risk management

The company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate 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 the company's policy not to trade in derivatives for speculative purposes.

The following 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.

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.

19.1 Financial instruments by categories

	2022 US$	2021 US$
Financial assets		
Amortised cost		
Other receivables	596,754	589,149
Cash and cash equivalents	2,584,811	1,654,121
	3,181,565	2,243,270
Financial liabilities		
Amortised cost		
Other payables	7,745,675	3,956,903
Lease liabilities	760,074	1,036,380
	8,505,749	4,993,283

19.2 Risk management

(i) 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 other receivables and loan to the intermediate holding company. For other financial assets (including investment securities and cash), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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 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 210 days or there is significant difficulty of the counterparty.

To minimise credit risk, the company has developed and maintained the company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the company's own trading records to rate its major customers and other debtors. The company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The company determined that its financial assets are credit-impaired when:

- There is significant 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

The company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 360 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
1	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
2	Amount is > 180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
3	Amount is > 210 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
4	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The table below details the credit quality of the company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:-

	Note	Category	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
2022						
Other receivables	5	1	12-month ECL	838,269	(241,515)	596,754
2021						
Other receivables	5	1	12-month ECL	589,149	-	589,149

Other receivables and loan to the intermediate holding 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 the initial recognition of the financial assets. Accordingly, the company measured the impairment loss allowance using 12-month ECL.

(ii) **Liquidity risk**

Liquidity risk refers to the risk that the company will encounter difficulties in meeting its short-term 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. It is managed by matching the payment and receipt cycles. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The company finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the company.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(ii) **Liquidity risk** (continued)

Analysis of financial instruments by remaining contractual maturities

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

		Contractual cash flows payable		
	Carrying amount 2022 US$	**Total 2022 US$**	**One year or less 2022 US$**	**One to five years 2022 US$**
Financial liabilities				
Other payables	7,745,675	7,745,675	7,745,675	-
Lease liabilities	760,074	768,651	364,765	403,886
	8,505,749	8,514,326	8,110,440	403,886

		Contractual cash flows payable		
	Carrying amount 2021 US$	**Total 2021 US$**	**One year or less 2021 US$**	**One to five years 2021 US$**
Financial liabilities				
Other payables	3,956,903	3,956,903	3,956,903	-
Lease liabilities	1,036,380	1,075,118	334,036	741,082
	4,993,283	5,032,021	4,290,939	741,082

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(iii) **Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) **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's exposure to interest rate risk arises primarily from cash and cash equivalents.

The company does not expect any significant effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

<u>Sensitivity analysis</u>

Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on profit and loss or equity of the company is insignificant.

(b) **Foreign currency risk**

The company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the company does not have any formal policy for hedging against currency risk. The company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the company, primarily Singapore Dollars and Euro.

<u>Sensitivity analysis</u>

Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit and loss or equity of the company is insignificant.

19. **Financial instruments** (continued)

(iv) **Fair values**

Assets and liabilities not measured at fair value

Other receivables, other payables and cash and cash equivalents

The directors are of the view that the fair values of the other financial assets and liabilities as at the date of the statement of financial position approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

20. **Authorisation of financial statements**

The financial statements were authorised for issue in accordance with a resolution of the directors on 15 May 2023.

The annexed detailed income statement does not form part of the audited statutory financial statements. It is not necessary to file the detailed income statement with the Accounting and Corporate Regulatory Authority.

GMR Airports (Singapore) Pte. Ltd.

Detailed Income Statement
for the year ended 31 December 2022

	2022 US$	2021 US$
Revenue	2,099,066	4,986,979
Add:		
Other operating income		
Interest income	-	205
Other income	-	340
Foreign exchange gain	98,088	-
	98,088	545
	2,197,154	4,987,524
Less:		
Operating expenses		
Employee benefits expense	(3,531,280)	(2,864,542)
Administrative expenses	(1,562,997)	(978,924)
Finance costs	(18,675)	(24,822)
	(5,112,952)	(3,868,288)
(Loss)/Profit before income tax expense	(2,915,798)	1,119,236

GMR Airports (Singapore) Pte. Ltd.

Administrative and Operating Expenses
for the year ended 31 December 2022

	2022 US$	2021 US$
Employee benefits expense		
CPF contributions	21,068	25,347
Directors' remuneration	1,962,879	2,071,830
Directors' CPF contributions	5,917	5,694
Directors' Skills development levy	220	301
Medical expenses	168	4,166
Skills development levy	829	750
Staff salaries and bonuses	1,374,183	614,523
Staff welfare	166,016	141,931
	3,531,280	2,864,542
Administrative expenses		
Audit fee	5,672	3,358
Bank charges	4,868	3,005
Bidding expense	-	7,585
Business promotion	12,427	-
Communication charges	28,192	23,655
Consultancy fees	240,684	94,844
Courier charges	923	773
Cost of outsourced service	192,528	-
Depreciation of property, plant and equipment	401,390	404,301
Electricity	7,077	2,890
Foreign exchange loss	-	44,116
General expenses	17,539	-
GST	23,839	24,276
Allowance for expected credit loss on other receivables	241,515	-
Insurance	556	572
Repairs and maintenance	33,911	30,461
Membership fee	606	1,133
Office pooja expenses	3,218	66,723
Printing and stationery	2,035	1,107
Rental	126,134	250,735
Training	626	3,142
Travelling	219,257	16,248
	1,562,997	978,924
Finance costs		
Interest on lease liabilities	18,675	24,822
Total expenses	5,112,952	3,868,288