

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.

Company Registration No.: 201915005K

(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS AND DIRECTORS' STATEMENT

For the Financial Year Ended 31 March 2023

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.

FINANCIAL STATEMENTS AND DIRECTORS' STATEMENT
For the Financial Year Ended 31 March 2023

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**ONLINE INSTRUMENTS SINGAPORE PTE. LTD.
DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

The directors are pleased to present their statement to the member together with the audited financial statements of Online Instruments Singapore Pte Ltd (the "Company") for the financial year ended 31 March 2023.

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 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year 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.

Directors

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

Mahesh Basalingappa Bellad
Nuriffah Binte Nordin
Shivanand Mallappa Mahashetti

Arrangements to enable director to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Director's interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors who held office at the end of the financial year had no interests in the shares or debentures of the company and its related corporations except as stated below:

Name of directors	Ordinary shares held in the name of directors		Ordinary shares in which the directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Holding company <i>Online Instruments (India) Private Limited</i>				
Mahesh Basalingappa Bellad	148,500	148,500	99,000	99,000
Shivanand Mallappa Mahashetti	148,500	148,500	99,000	99,000

**ONLINE INSTRUMENTS SINGAPORE PTE. LTD.
DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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.

Independent auditor

The independent auditor, OneStop Assurance PAC, has expressed its willingness to accept re-appointment as auditor.

On behalf of the directors



Mahesh Basalingappa Bellad
Director



Shivanand Mallappa Mahashetti
Director

Singapore

29 September 2023

**INDEPENDENT AUDITOR'S REPORT
ONLINE INSTRUMENTS SINGAPORE PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ONLINE INSTRUMENTS
SINGAPORE PTE.LTD**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Online Instruments Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the financial year ended 31 March 2023, 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 March 2023 and of the financial performance, changes in equity and cash flows of the company for the financial 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
ONLINE INSTRUMENTS SINGAPORE PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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.

**INDEPENDENT AUDITOR'S REPORT
ONLINE INSTRUMENTS SINGAPORE PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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.

Onestop Assurance PAC
Onestop Assurance PAC
Public Accountants and
Chartered Accountants

Singapore

29 September 2023

ONLINE INSTRUMENTS SINGAPORE PTE LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023 US\$	2022 US\$
Revenue	4	2,358,753	-
Other income		30,817	-
<u>Other items of expense</u>			
Purchase of goods		(2,067,617)	-
Business support service		(120,000)	-
Freight charges		(19,496)	-
Bank charges		(7,580)	(1,090)
Professional fees		(11,602)	(11,481)
Other expenses		(1,091)	(3,158)
Profit/(Loss) before income tax		162,184	(15,729)
Income tax expense	5	(15,441)	-
Profit/(Loss) for the year, representing total comprehensive income/ (loss) for the year		146,743	(15,729)

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	2023 US\$	2022 US\$
ASSETS			
Current assets			
Trade and other receivables	6	476,766	66,115
Inventories	7	84,291	-
Prepaid expenses		2,542	-
Cash and bank balances	8	51,834	138,904
		615,433	205,019
Total assets		615,433	205,019
LIABILITY AND EQUITY			
LIABILITY			
Current liability			
Trade and other payables	9	265,801	2,130
Total liability		265,801	2,130
EQUITY			
Share capital	10	245,000	245,000
Retained earnings/ Accumulated losses		104,632	(42,111)
Equity attributable to the owners of the Company		349,632	202,889
Total liability and equity		615,433	205,019

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Share capital US\$	Retained Earnings/ Accumulated losses US\$	Total US\$
2023			
As at 1 April 2022	245,000	(42,111)	202,889
Profit for the year, representing total comprehensive income for the year	-	146,743	146,743
As at 31 March 2023	245,000	104,632	349,632
2022			
As at 1 April 2021	245,000	(26,382)	218,618
Loss for the year, representing total comprehensive loss for the year	-	(15,729)	(15,729)
As at 31 March 2022	245,000	(42,111)	202,889

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023 US\$	2022 US\$
Cash flows from operating activities			
Profit/(Loss) before income tax		162,184	(15,729)
Adjustment for:			
Unrealised foreign exchange differences		1,657	29
		<u>163,841</u>	<u>(15,700)</u>
Changes in working capital:			
Trade and other receivables		(29,596)	(57,333)
Trade and other payables		193,680	(3,112)
Inventories		(84,290)	-
Cash generated from/(used in) operations		<u>243,635</u>	<u>(76,145)</u>
Income tax paid	5	(15,441)	-
Net cash generated from/(used in) operating activities		<u>228,194</u>	<u>(76,145)</u>
Cash flows from financing activities			
Amount due to holding company	9	20,000	(380)
Amount due to related party	9	49,990	(4,742)
Amount due from related parties	6	(383,597)	-
Net cash used in financing activities		<u>(313,607)</u>	<u>(5,122)</u>
Net decrease in cash and cash equivalents		<u>(85,413)</u>	<u>(81,267)</u>
Effect of exchange rate changes on cash and cash equivalents		(1,657)	(29)
Cash and cash equivalents as at beginning of year		<u>138,904</u>	220,000
Cash and cash equivalents as at end of year		<u>51,834</u>	138,904

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

1 General information

The Company is a private company limited by shares, incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 1 Raffles Place #34-04 One Raffles Place, Singapore 048616.

The principal activities of the Company are those of wholesale and retail sale of audio and video equipment. Its holding company is Online Instruments (India) Private Limited, a company incorporated in India.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared on a going concern basis on the premise that the holding company have undertaken to continue to render financial support to enable the Company to continue as a going concern. Having considered such and other evidences as they considered necessary, the Directors are of the opinion that the Company is able to continue as a going concern for at least the next twelve months from the date of this report.

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

The financial statements are presented in United States dollars ("US\$"), which is the Company's functional currency.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except 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 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2 Summary of significant accounting policies (continued)

2.3 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
Amendment to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

2 Summary of significant accounting policies (continued)

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 reporting date. 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.

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. 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 group 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.

2.5 Financial instruments

(a) Financial assets

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 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.

2 Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

(a) Financial assets (continued)

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 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 measure 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.

Derecognition

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

(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 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)

2.5 Financial instruments (continued)

(b) 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.

2.6 Impairment of financial assets

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

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

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

The Company 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)

2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.8 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

Short-term leases and leases of low-value assets

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

2 Summary of significant accounting policies (continued)

2.10 Revenue recognition

The Company is in the business of wholesale of audio and video equipment. 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 promised goods or services to the customer, which is when the customer obtains control of the goods or services. 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.

Sale of goods

Revenue from sale of good is recognised at the point in time when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables are reasonably assured.

2.11 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax related 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 provision where appropriate.

(b) Deferred tax

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

Deferred tax assets and liabilities are measured at the tax rate 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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2 Summary of significant accounting policies (continued)

2.11 Taxes

(c) Goods and Services tax

Revenue, expenses and assets are recognised net of the amount of GST except:

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

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

2.12 Related party

A related party is defined as follow:

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

- (i) Has control or joint control of the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (iv) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

2 Summary of significant accounting policies (continued)

2.12 Related party

(b) An entity is related to the Company if any of the following conditions applies (continued):

- (v) Both entities are joint ventures of the same third party.
- (vi) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (vii) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (viii) The entity is controlled or jointly controlled by a person identified in (a).
- (ix) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (x) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

(c) Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

3 Significant Accounting Judgements and Estimates

The preparation of the Company's financial statements requires management to make judgments, 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 periods.

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Revenue

	2023 US\$	2022 US\$
Types of goods		
Sale of goods	<u>2,358,753</u>	-
Timing of transfer of good		
At a point in time	<u>2,358,753</u>	-

5 Income tax expense

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2023 US\$	2022 US\$
Profit/(Loss) before income tax	<u>162,184</u>	(15,729)
Income tax expenses attributable to net income at Singapore statutory rate of 17% (2022:17%)	27,571	(2,674)
Adjustments:		
- Deductions	(12,130)	-
- Deferred tax assets not recognised	-	2,674
	<u>15,441</u>	-

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

6 Trade and other receivables

	2023	2022
	US\$	US\$
Trade receivables		
-Third parties	92,079	-
-Related parties	383,597	-
	475,676	-
Other receivables		
-Advances to supplier	-	65,635
-Deposits	1,090	480
	1,090	66,115
	476,766	66,115

The amount due from trade related party are unsecured, interest free and are generally on 30-60 terms.

The amount due from non-trade related party are unsecured, interest free and are generally repayable on demand.

7 Inventories

	2023	2022
	US\$	US\$
Statement of financial position:		
Finished goods, at cost	84,291	-
Statement of profit and loss:		
Inventories recognised as an expense in cost of sales	1,982,895	-

8 Cash and bank balances

	2023	2022
	US\$	US\$
Cash at bank	51,834	138,904
	51,834	138,904

ONLINE INSTRUMENTS SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

9 Trade and Other payables

	2023	2022
	US\$	US\$
Trade payables	172,728	-
Other payables		
- Accruals	23,083	2,130
- Amount due to holding company	20,000	-
- Amount due to related party	49,990	-
	265,801	2,130

The amount due to trade related party are unsecured, interest free and are generally on 30-60 terms.

The amount due to non-trade holding company are unsecured, interest free and are generally repayable on demand.

10 Share capital

	2023		2022	
	No of shares	US\$	No of shares	US\$
Issued and fully paid ordinary shares				
At 1 April and 31 March	245,000	245,000	245,000	245,000

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

11 Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Significant transactions include the amounts owing to holding company and amounts due from/to related parties that is non-trade in nature, unsecured, interest free and repayable on demand (see Notes 6 and 9).

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11 Related party transactions (continued)

(a) Sale and purchase of goods

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

	2023 US\$	2022 US\$
Sales to related parties	396,156	-
Purchases from related parties	120,000	-

(b) Compensation of Key Management Personnel

The compensation of key management personnel for the years ended 31 March 2023 and 2022 amounted to US\$1,743 and US\$908, respectively.

12 Fair value of assets and liabilities

Cash and cash equivalents and other payables

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

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

13 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 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.

13 Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March in 2023 and 2022. It has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of pension and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company's currency exposure based on the information provided to key management is as follows:

	SG\$
	US\$
2023	
Financial asset	
Cash and bank balances	<u>6,604</u>
Currency exposure	<u>6,604</u>
	SG\$
	US\$
2022	
Financial asset	
Cash and bank balances	<u>1,790</u>
Currency exposure	<u>1,790</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

A 10% strengthening of United States Dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Effect on profit	
	2022	2021
	US\$	US\$
SG\$ to US\$:		
- Strengthened by 10% (2022:10%)	549	149
- Weakened by 10% (2022:10%)	(549)	(149)
	<hr/>	<hr/>

(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. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

13 Financial risk management (continued)

(b) Credit risk (continued)

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorize 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 increase in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behavior 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 30 days past due in making contractual payment.

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 reorganization
- 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 180 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 recognizing expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired.
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – Credit-impaired
IV	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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

13 Financial risk management (continued)**(b) Credit risk (continued)**

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
31 March 2023						
Trade receivables	6	II	Lifetime ECL (simplified)	92,079	-	92,079
Amounts due from related parties	6	I	12-month ECL	383,597	-	383,597
					-	
					-	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach 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. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Amount due from related parties

The Company has assessed that its related parties have strong financial capability to meet the contractual obligations and considered to have low credit risk. The amount due from related parties are measured on 12-month expected credit losses and subject to immaterial credit loss.

Excessive risk concentration

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

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure. The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**
13 Financial risk management (continued)
(c) 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.

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount US\$	2023 Contractual cash flows US\$	One year or less US\$
<u>Financial assets</u>			
Trade receivables	92,079	92,079	92,079
Other receivables	384,687	384,687	384,687
Cash and bank balances	51,834	51,834	51,834
	528,600	528,600	528,600
<u>Financial liabilities</u>			
Trade payables	172,728	172,728	172,728
Other payables	93,073	93,073	93,073
	265,801	265,801	265,801
Total net undiscounted financial assets	262,799	262,799	262,799
	Carrying amount US\$	2022 Contractual cash flows US\$	One year or less US\$
<u>Financial assets</u>			
Cash and bank balances	138,904	138,904	138,904
Other receivables	66,115	66,115	66,115
	205,019	205,019	205,019
<u>Financial liability</u>			
Other payables	2,130	2,130	2,130
Total net undiscounted financial assets	202,889	202,889	202,889

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

14 Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial liabilities at amortised cost were as follows:

	2023	2022
	US\$	US\$
<u>Financial assets measured at amortised cost</u>		
Trade receivables	92,079	-
Cash and bank balances	51,834	138,904
Other receivables	384,687	66,115
Total financial assets measured at amortised cost	528,600	205,019
<u>Financial liabilities measured at amortised cost</u>		
Trade payables	172,728	-
Other payables	93,073	2,130
Total financial liabilities measured at amortised cost	265,801	2,130

15 Capital management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The directors are satisfied that there would be funds available to finance the operations of the Company.

16 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on the date stated on the Directors' Statement.