

QUESSCORP HOLDINGS PTE. LTD.

Company Reg. No.: 201526129N

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

C O N T E N T S

	PAGES
Directors' Statement	1 – 2
Independent Auditor's Report	3 – 5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 34

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

The directors are pleased to present the statement to the member together with the audited financial statements of Quesscorp Holdings Pte. Ltd. (the Company) for the financial year ended 31 March 2025.

1. 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 March 2025 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, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Pallipakkam Ramachandran Sridharan
Lohit Bahtia
Akash Gupta
Kamal Pal Hoda

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE OF SHARES OR DEBENTURES

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

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 (the Act), the directors of the Company 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.

QUESSCORP HOLDINGS PTE. LTD.
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**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

5. 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.

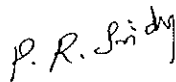
6. AUDITOR

JOE TAN & ASSOCIATES PUBLIC ACCOUNTING CORPORATION, has expressed its willingness to accept appointment as auditor.

On behalf of the Board of Directors



.....
Akash Gupta
Director



.....
Pallipakkam Ramachandran Sridharan
Director

Singapore 9 MAY 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
QUESSCORP HOLDINGS PTE. LTD.**

Report on the Financial Statements

Opinion

We have audited the financial statements of Quesscorp Holdings Pte. Ltd. (the Company), which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for 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.

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 skepticism throughout the audit. We also:

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

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

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

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.



JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

9 MAY 2025

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 S\$	2024 S\$
ASSETS			
Non-current assets			
Investment in subsidiaries	4	54,972,172	54,801,448
Investment in joint venture	5	15,868	15,868
Other investment	6	280,496	280,496
		<u>55,268,535</u>	<u>55,097,811</u>
Current assets			
Trade and other receivables	7	3,906,763	4,811,197
Contract assets	8	812,510	-
Cash and cash equivalents	9	1,834,886	3,170,013
		<u>6,554,159</u>	<u>7,981,210</u>
Total assets		<u><u>61,822,694</u></u>	<u><u>63,079,021</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	45,269,610	45,269,610
Retained earnings		13,955,455	16,748,330
Capital reserve		86,327	86,327
Translation reserve		(9,161)	(9,161)
		<u>59,302,231</u>	<u>62,095,106</u>
Current liabilities			
Income tax liabilities		-	623,089
Other payables	11	2,520,463	360,826
		<u>2,520,463</u>	<u>983,915</u>
Total liabilities		<u><u>2,520,463</u></u>	<u><u>983,915</u></u>
Total equity and liabilities		<u><u>61,822,694</u></u>	<u><u>63,079,021</u></u>

The accompanying notes form an integral part of these financial statement.

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 S\$	2024 S\$
Revenue	12	5,104,353	544,298
Cost of services		(4,823,244)	(541,682)
Gross Profit		<u>281,109</u>	<u>2,616</u>
Other income	13	11,089,617	37,968,399
Administrative costs		(443,074)	(4,046,967)
Profit before tax	14	<u>10,927,652</u>	<u>33,924,047</u>
Income tax (benefit)/expense	15	(29,079)	89,742
Profit after tax		<u>10,956,730</u>	<u>33,834,305</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Foreign exchange differences on translation of foreign operations		-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>10,956,730</u></u>	<u><u>33,834,305</u></u>

The accompanying notes form an integral part of these financial statements.

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Share Capital S\$	Retained Earnings S\$	Capital Reserve S\$	Translation Reserve S\$	Total S\$
Balance as at 1 April 2023		45,269,610	21,194,025	86,327	(5,879)	66,544,083
Profit for the year, representing total comprehensive income for the year		-	33,834,305	-	-	33,834,305
Dividends	16	-	(38,280,000)	-	-	(38,280,000)
Other comprehensive loss		-	-	-	(3,282)	(3,282)
		-	(4,445,695)	-	(3,282)	(4,448,977)
Balance as at 31 March 2024		45,269,610	16,748,330	86,327	(9,161)	62,095,106
Profit for the year, representing total comprehensive income for the year		-	10,956,731	-	-	10,956,731
Dividends	16	-	(13,749,606)	-	-	(13,749,606)
Other comprehensive income		-	-	-	-	-
		-	(2,792,875)	-	-	(2,792,875)
Balance as at 31 March 2025		45,269,610	13,955,455	86,327	(9,161)	59,302,231

The accompanying notes form an integral part of these financial statements.

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	2025 S\$	2024 S\$
Cash flows from operating activities			
Profit before tax		10,927,652	33,924,047
Adjustments for :			
Translation reserve		-	(3,282)
Bad debts written off	14	33,656	-
Impairment loss of investment in subsidiaries	14	133,206	3,842,021
Impairment loss in other investment	14	-	-
Reversal of impairment loss of investment in subsidiary	13	-	(602,000.00)
Gain on disposal of investment in subsidiary	13	-	(23,016,675)
Interest income	13	(13,761)	(79,392)
Operating cash flows before working capital changes		<u>11,080,752</u>	<u>14,064,720</u>
<i>Change in working capital :</i>			
Trade and other receivables		870,777	1,672,579
Contract assets		(812,510)	-
Other payables		2,159,638	75,312
Cash generated from operations		<u>13,298,658</u>	<u>15,812,611</u>
Income tax paid		(594,011)	-
Net cash generated from operating activities		<u>12,704,647</u>	<u>15,812,611</u>
Cash flows from investing activities			
Acquisition of subsidiaries		(303,930)	(1,781,930)
Proceeds from disposal of investment in subsidiaries		-	26,994,797
Interest received		13,761	79,392
Net cash (used in)/generated from investing activities		<u>(290,169)</u>	<u>25,292,259</u>
Cash flows from financing activities			
Dividends paid	16	(13,749,606)	(38,280,000)
Net cash used in financing activities		<u>(13,749,606)</u>	<u>(38,280,000)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,335,128)</u>	<u>2,824,869</u>
Cash and cash equivalents at 1 April		<u>3,170,013</u>	<u>345,144</u>
Cash and cash equivalents at 31 March	9	<u>1,834,886</u>	<u>3,170,013</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. CORPORATE INFORMATION

The Company is a private company limited by shares and incorporated and domiciled in the Republic of Singapore.

The registered office address of the Company is 4 Robinson Road, #12-01 The House of Eden, Singapore 048543.

The principal activities of the Company are those of investment holding and providing other information service activities and IT support service and trading. The principal activities of the subsidiaries are disclosed in Notes 4 to the financial statements. During the financial year, the Company has a branch in Dubai but has ceased its operations.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards (FRSs). The financial statements have been prepared on historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency. All financial information presented in Singapore Dollar, unless otherwise indicated.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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 April 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in prepared these financial statements

The director expects that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

The following are new / revised / amendments to FRSs issued by the Accounting Standards Council of Singapore up to 31 March 2025 which are effective for annual reporting periods beginning after 1 April 2024:

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118 <i>Presentation and Disclosure in Financial Statements:</i>	1 January 2027
FRS 119 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

2.4 BASIS OF CONSOLIDATION

The company did not consolidate the accounts of its subsidiary due to the exemption under FRS110 Consolidated Financial Statements as follows:

- a) it is wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statement;
- b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the counter market, including local and regional markets);
- c) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market: and
- d) its ultimate or any intermediate parent produces financial statements that are available for public use, in which subsidiaries are consolidated or are measured at fair value through profit or loss.

2.5 INVESTMENT IN SUBSIDIARIES

The investment in subsidiary is carried at cost less any accumulated allowance for impairment. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.6 JOINT VENTURE

The Company is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Company and at least one other party. The Company classifies its interests in joint arrangements as either:

- Joint ventures: where the Company has rights to only the net assets of the joint arrangement;

or

- Joint operations: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.
- In assessing the classification of interests in joint arrangements, the Company considers:
 - The structure of the joint arrangement;
 - The legal form of joint arrangements structured through a separate vehicle;
 - The contractual terms of the joint arrangement agreement; and
 - Any other facts and circumstances (including any other contractual arrangements).

The Company accounts for its interest in joint venture in the manner described below:-

Joint venture

Joint venture is initially recognised in the statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for a joint venture above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in joint venture.

Under the equity method, the Company's share of post-acquisition profits and losses and other comprehensive income is recognised in the statement of comprehensive income. Post-acquisition changes in the Company's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of a joint venture in excess of the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment) are not recognised, unless the Company has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate or joint venture.

Where the Company transacts with a joint venture, unrealised profits are eliminated to the extent of the Company's interest in the joint venture. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

2.8 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 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.8 FINANCIAL INSTRUMENTS- CONTINUED

a) Financial assets - continued

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

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.8 FINANCIAL INSTRUMENTS- CONTINUED

b) Financial liabilities - continued

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.

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.

2.9 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.10 CASH AND CASH EQUIVALENTS

Cash and bank balances in the statement of financial position comprise cash at banks, which is readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.11 CONTRACT BALANCES

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial Instruments – initial recognition and subsequent measurement.

2.12 RELATED PARTIES

A related party is defined as follows:

- (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 over 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 apply:
- 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. both entities are joint ventures of the same third party.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.12 RELATED PARTIES - CONTINUED

- iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. 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.
- vi. the entity is controlled or jointly controlled by a person identified in (a);
- vii. 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).
- viii. 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.

2.13 PROVISIONS

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.15 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 is satisfied at a point in time.

Rendering of services (at a point of time)

The Company is providing staffing services. Revenue from rendering of services is recognised when consultancy services are and rendered and upon customers' acceptance.

2.16 GOVERNMENT GRANTS

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

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

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

(b) Deferred Tax

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

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION – CONTINUED

2.17 TAXES – CONTINUED

(b) Deferred Tax - continued

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

Deferred tax 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.

(c) Goods and Service Tax

Revenues, 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.

2.18 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(a) Judgements made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimated impairment of subsidiaries

When a subsidiary is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future probability of the investee, including factors such as industry and sector performance, and operational and financial cash flow.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

4. INVESTMENT IN SUBSIDIARIES

	2025 S\$	2024 S\$
Unquoted equity shares, at cost	58,947,399	58,643,469
Less: Accumulated impairment loss	<u>(3,975,227)</u>	<u>(3,842,021)</u>
	<u>54,972,172</u>	<u>54,801,448</u>
	2025 S\$	2024 S\$
Accumulated impairment loss:		
At 1 April	3,842,021	602,000
Reversal of impairment	-	(602,000)
Provision for impairment loss	133,206	3,842,021
At 31 March	<u>3,975,227</u>	<u>3,842,021</u>

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation/ Place of business	Percentage of equity held		Cost of investment		Principal activities
		2025 %	2024 %	2025 S\$	2024 S\$	
Quesscorp Singapore Pte. Ltd. ⁽¹⁾	Singapore	100	100	53,233,505	53,233,505	Staffing
Quess Selection & Solution Pte. Limited ⁽²⁾	Singapore	100	100	602,000	602,000	Staffing
Quessglobal Malaysia Sdn. Bhd. ⁽⁴⁾	Malaysia	100	100	330,810	180,086	Staffing
Quess Corp Lanka (Private) Limited ⁽⁵⁾	Sri Lanka	100	100	785,857	785,857	IT Staffing
Quess Corp NA LLC ⁽⁶⁾	United States of America	100	100	3,975,227	3,842,021	Staffing
Quesscorp Solutions Pte Ltd ⁽⁷⁾	Singapore	100	-	10,000	-	Staffing
Quesscorp Consulting Pte Ltd ⁽⁷⁾	Singapore	100	-	10,000	-	Staffing
				<u>58,947,399</u>	<u>58,643,469</u>	

(1) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore. Shares in this subsidiary is pledged to a bank for bank loan. (Note 12)

(2) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore.

(3) Audited by Liggett & Webb P.A. Certified Public Accountants of New York. 49% equity interest in subsidiary is held by a related company.

(4) Audited by Hals & Associates, Chartered Accountant of Malaysia.

(5) Audited by PricewaterhouseCoopers, Sri Lanka.

(6) Not audited yet.

(7) Audited by Joe Tan & Associates PAC, Chartered Accountants of Singapore. Newly incorporated entities during the year.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

4. INVESTMENT IN SUBSIDIARIES - CONTINUED

During the year, the Company has invested in the newly incorporated entities in Singapore, Quesscorp Solutions Pte Ltd and Quesscorp Consulting Pte Ltd for a 100% equity interest.

Also during the year, the Company has provide additional impairment to its investment in Quesscorp NA LLC amounting to SGD133,206 as management determined that the recoverable amount is lesser than its cost of investment.

In line with Singapore Companies Act Cap 50 section 201(1) (2) (11) and FRS 110 the Company is exempt from presenting consolidated accounts. The Company satisfies all the conditions of FRS 110 paragraph 4(a) from presenting consolidated financial statements for the year;

- i. it is wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent presenting consolidated financial statements;
- ii. its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
- iii. it did not file, nor it is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
- iv. its ultimate or any intermediate parent produces consolidated financial statements that are available for public use.

5. INVESTMENT IN JOINT VENTURE

	2025 S\$	2024 S\$
Unquoted equity shares, at cost	15,868	15,868
	<u>15,868</u>	<u>15,868</u>

Details of the joint venture are as follows:

Name of joint venture	Country of incorporation/ Place of business	Percentage of equity held		Cost of investment		Principal activities
		<u>2025</u> %	<u>2024</u> %	<u>2025</u> S\$	<u>2024</u> S\$	
Himmer Industrial (Malaysia) Sdn. Bhd. ⁽¹⁾	Malaysia	49	49	15,868	15,868	IT Engineering

⁽¹⁾ Audited by Hafiz & Associates, Chartered Accountant of Malaysia

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

6. OTHER INVESTMENT

	2025 S\$	2024 S\$
Unquoted equity shares, at cost	280,496	280,496

This relates to an interest in sole establishment incorporated in Dubai which is held in trust by an individual director.

7. TRADE AND OTHER RECEIVABLES

	2025 S\$	2024 S\$
Trade receivables		
- Related party	37,627	-
- Third parties	94,456	277,933
	132,083	277,933
Loan receivables from subsidiaries	212,524	872,400
Loan receivables from related companies	62,286	105,011
Loan receivables from third party	3,318,814	3,318,814
Amount due from joint venture	1,373	1,373
Interest receivables	7,100	7,100
Deposits	22,869	22,869
Other receivables	149,714	194,197
GST receivable	-	11,500
	3,906,763	4,811,197

Trade receivables are non-interest bearing and are generally on 30 to 60 (2022: 30 to 60) days' term.

Loan receivable from third party is non-trade in nature, unsecured, bears interest at 5% per annum and is repayable on demand.

Loan receivables from subsidiaries and related companies are unsecured, bear interest at 2.25% (2022: 2.25%) per annum and are repayable on demand.

Amount due from joint venture and other receivables are non-trade in nature, unsecured, interest free and has no fixed term of repayment.

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

8. CONTRACT ASSETS

	<u>2025</u> S\$	<u>2024</u> S\$
Accrued income	812,510	-

The contract assets primary related to the Company's right of consideration for service rendered and not billed.

9. CASH AND CASH EQUIVALENTS

	<u>2024</u> S\$	<u>2023</u> S\$
Cash at banks	1,834,886	3,170,013

10. SHARE CAPITAL

	<u>2025</u>		<u>2024</u>	
	<u>No. of shares</u>	<u>S\$</u>	<u>No. of shares</u>	<u>S\$</u>
Issued and fully paid ordinary shares				
At 1 April and 31 March	<u>45,269,608</u>	<u>45,269,610</u>	<u>45,269,608</u>	<u>45,269,610</u>

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

11. OTHER PAYABLES

	<u>2025</u> S\$	<u>2024</u> S\$
<u>Current Liabilities</u>		
Accrued expenses	638,607	12,000
Loan payable to subsidiary	1,540,000	-
Other payables	70,893	348,826
GST payable	<u>270,963</u>	-
Total	<u>2,520,463</u>	<u>360,826</u>

Other payables are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

Loan payable to subsidiary and holding company are non-trade in nature, unsecured, interest-free and has no fixed term of repayment.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

12. REVENUE

	2025 S\$	2024 S\$
Rendering of services (at a point in time)	<u>5,104,353</u>	<u>544,29</u>

13. OTHER INCOME

	2025 S\$	2024 S\$
Dividend income	11,019,686	13,938,706
Reversal of impairment loss of investment in subsidiary	-	602,000
Unrealised foreign exchange gain	55,023	331,626
Interest income	13,761	79,392
Corporate income tax rebate	1,148	-
Gain on sale of investments in subsidiaries	-	23,016,675
	<u>11,089,617</u>	<u>37,968,399</u>

14. PROFIT BEFORE TAX

	2025 S\$	2024 S\$
Profit before tax has been arrived at after charging/(crediting) :		
Bad debts written off	33,656	-
Impairment loss of investment in subsidiary	<u>133,206</u>	<u>3,842,021</u>

15. INCOME TAX (BENEFIT)/EXPENSE

The major components of income tax (benefit)/expense recognised in profit or loss for the year ended 31 March 2025 was:

	2025 S\$	2024 S\$
Income tax		
- Current year	<u>(29,079)</u>	<u>89,742</u>
Income tax (benefit)/expense recognised in profit or loss	<u>(29,079)</u>	<u>89,742</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

15. INCOME TAX EXPENSE/(BENEFIT) (CONTINUED)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2025 and 31 March 2024 were as follows

	2025 S\$	2024 S\$
Profit before tax	10,927,652	33,924,047
Income tax using the statutory tax rate of 17% (2024: 17%)	1,857,701	5,767,088
Adjustments:		
Non-deductible expenses	-	653,144
Non-taxable income	(1,879,836)	(6,313,065)
Income tax rebate	(195)	-
Income tax refund	(29,079)	-
Deferred tax assets not recognised	22,330	-
Statutory stepped income exemption	-	(17,425)
	<u>(29,079)</u>	<u>89,742</u>

16. DIVIDENDS

	2025 S\$	2024 S\$
Declared and paid during the financial year		
Dividends on ordinary shares:		
Interim exempt (one-tier) dividend for 2025: S\$13,749,606 (2024: S\$38,280,000) per share	<u>13,749,606</u>	<u>38,280,000</u>

17. SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with related parties as follows:

	2025 S\$	2024 S\$
<u>With related companies</u>		
Interest income from loans to related companies	13,761	46,887
Service income earned from a subsidiary	1,032,677	-
Subcontractor's cost incurred from subsidiaries	<u>743,886</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The following sections provide details regarding the Company's exposure to the 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.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the immediate holding company. For other financial assets (including cash and cash equivalents), 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.

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;

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

a) Credit risk - continued

- 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;
- 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 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 120 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)
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 FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

a) 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 S\$	Loss allowance S\$	Net carrying amount S\$
31 March 2025						
Trade receivables	7	I	Lifetime ECL (simplified)	132,083	-	132,083
Other receivables ⁽ⁱ⁾	7	I	12-month ECL	3,773,781	-	3,773,781
31 March 2024						
Trade receivables	7	I	Lifetime ECL (simplified)	277,933	-	277,933
Other receivables ⁽ⁱ⁾	7	I	12-month ECL	4,521,764	-	4,521,764

⁽ⁱ⁾ This excludes prepayment and GST receivable.

Trade receivables (Note 1)

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

	Not past due S\$	More than 90 days S\$	Total S\$
31 March 2025			
ECL rate	0%	0%	
Estimated total gross carrying amount at default	132,083	-	132,083
ECL	-	-	-
			<u>132,083</u>
31 March 2024			
ECL rate	0%	0%	
Estimated total gross carrying amount at default	277,933	-	277,933
ECL	-	-	-
			<u>277,933</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

a) Credit risk - continued

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.

Other receivables including amount due from related parties

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 and determined that the ECL is insignificant.

(b) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

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

	2025		
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$
<u>Financial assets</u>			
Trade and other receivables ^(a)	3,905,864	3,905,864	3,905,864
Contract assets	812,510	812,510	812,510
Cash and cash equivalents	1,834,886	1,834,886	1,834,886
Total undiscounted financial assets	<u>6,553,260</u>	<u>6,553,260</u>	<u>6,553,260</u>
<u>Financial liabilities</u>			
Other payables ^(b)	2,249,500	2,249,500	2,249,500
Total undiscounted financial liabilities	<u>2,249,500</u>	<u>2,249,500</u>	<u>2,249,500</u>
Total net undiscounted financial asset	<u>4,303,760</u>	<u>4,303,760</u>	<u>4,303,760</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

b) Liquidity risk - continued

	2024		
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$
<u>Financial assets</u>			
Trade and other receivables ^(a)	4,799,697	4,799,697	4,799,697
Contract assets	-	-	-
Cash and cash equivalents	3,170,013	3,170,013	3,170,013
Total undiscounted financial assets	<u>7,969,710</u>	<u>7,969,710</u>	<u>7,969,710</u>
<u>Financial liabilities</u>			
Other payables ^(b)	360,826	360,826	360,826
Total undiscounted financial liabilities	<u>360,826</u>	<u>360,826</u>	<u>360,826</u>
Total net undiscounted financial asset/(liabilities)	<u>7,608,884</u>	<u>7,608,884</u>	<u>7,608,884</u>

^(a) This amount excludes prepayment and GST receivable.

^(b) This amount excludes GST payable and income tax payable.

(c) 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.

(i) 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 their loan to holding company, cash and cash equivalents and bank borrowings.

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

(c) Market risk- continued

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2025 S\$	2024 S\$
<i>Fixed rate instruments</i>		
Financial assets		
Loan receivables from subsidiaries	212,524	872,400
Loan receivables from related companies	62,286	105,011
Loan receivables from third party	3,318,814	3,318,814
	<u>3,593,624</u>	<u>4,296,225</u>

Interest on financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risk.

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated 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 United States Dollar (USD), Malaysia ringgit (MYR), Arab Emirates Dirhams (AED) and Vietnamese Dong (DONG).

The Company's currency exposures to the USD, MYR, AED and DONG at the reporting date were as follows:

	2025			
	USD S\$	MYR S\$	AED S\$	DONG S\$
Financial assets				
Trade and other receivables	3,318,814	-	70,893	22,869
Cash and cash equivalents	60,188	-	-	-
	<u>3,379,002</u>	<u>-</u>	<u>70,893</u>	<u>22,869</u>
Financial liabilities				
Other payables	-	-	70,893	-
	<u>-</u>	<u>-</u>	<u>70,893</u>	<u>-</u>
Foreign currency exposure	<u>3,379,002</u>	<u>-</u>	<u>-</u>	<u>22,869</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONTINUED

(c) Market risk- continued

	2024			
	USD S\$	MYR S\$	AED S\$	DONG S\$
Financial assets				
Trade and other receivables	3,318,814	471,214	70,893	22,869
Cash and cash equivalents	395,057	-	-	-
	<u>3,713,871</u>	<u>471,214</u>	<u>70,893</u>	<u>22,869</u>
Financial liabilities				
Other payables	277,933	-	70,893	-
	<u>277,933</u>	<u>-</u>	<u>70,893</u>	<u>-</u>
Foreign currency exposure	3,435,938	471,214	-	22,869

A 10% strengthening of Singapore 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.

	Profit after tax	
	2025 S\$	2024 S\$
United States Dollar	280,457	285,183
Malaysia Ringgit	-	39,111
Arab Emirates Dirhams	-	-
Vietnamese Dong	<u>1,898</u>	<u>1,898</u>

A 10% weakening of Singapore Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

19. FAIR VALUES OF ASSETS AND LIABILITIES

ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

Cash and cash equivalents, other receivables and other payables

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

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

19. FAIR VALUES OF ASSETS AND LIABILITIES - CONTINUED

Loan receivables from third party and subsidiaries

The carrying amounts of loan receivables from third party and subsidiaries approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

20. FINANCIAL INSTRUMENTS BY CATEGORY

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

	<u>2025</u> S\$	<u>2024</u> S\$
Financial assets measured at amortised cost		
Trade and other receivables (Note 7) ^(a)	3,905,864	4,799,697
Contract assets (Note 8)	812,510	-
Cash and cash equivalents (Note 9)	1,834,886	3,170,013
Total financial assets measured at amortised cost	<u>6,553,260</u>	<u>7,969,710</u>
Financial liabilities measured at amortised cost		
Other payables (Note 11) ^(b)	2,249,500	360,826
Total financial liabilities measured at amortised cost	<u>2,249,500</u>	<u>360,826</u>

^(a) This amount excludes prepayment and GST receivable.

^(b) This amount excludes GST payable and income tax payable.

21. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2025 and 31 March 2024.

22. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on **9 MAY 2025**

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

**THE ACCOMPANYING SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY
AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

QUESSCORP HOLDINGS PTE. LTD.
(Company Reg. No.: 201526129N)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	2025 S\$	2024 S\$
Revenue		
Service income	5,104,353	544,298
Less: Cost of services	(4,823,244)	(541,682)
Gross profit	281,109	2,616
Add: Other income		
Dividend income	11,019,686	13,938,706
Corporate income tax rebate	1,148	-
Reversal of impairment loss of investment in subsidiary	-	602,000
Interest income	13,761	79,392
Gain on sale of investment in subsidiary	-	23,016,675
Unrealised foreign exchange gain	55,023	331,626
	11,089,617	37,968,399
Less:		
<u>Administrative costs</u>		
Bank charges	11,909	58,211
Salaries	91,893	-
Legal and professional fees	37,823	52,021
Membership fees	1,172	-
Bad debts written off	33,656	-
Impairment loss of investment in subsidiaries	133,206	3,842,021
Withholding tax expense	79,911	-
Foreign exchange loss	52,705	94,713
Other expenses	800	-
	443,074	4,046,967
Total Expenses	(443,074)	(4,046,967)
Profit before tax	10,927,652	33,924,047