

*Directors' Statement and  
Audited Financial Statements*

***R Systems IBIZCS Pte. Ltd.  
and its Subsidiaries***

*(Co. Reg. No. 200715700E)*

*For the year ended 31 December 2024*

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**General Information**

---

**Directors**

Gunalan Kalairajan  
Bernard Lim Sheun Long  
Ooi Pei Hui (Appointed on 31 December 2024)  
Chan Kum Ming (Resigned on 31 December 2024)

**Secretaries**

Ng Chee Tiong  
Yio Swee Kim

**Independent Auditor**

HLB Atrede LLP

**Contents**

	<b>Page</b>
Directors' Statement	1
Independent Auditor's Report	3
Statements of Financial Position	7
Consolidated Statement of Comprehensive Income	9
Statements of Changes in Equity	10
Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Directors' Statement**

---

The directors present their statement to the members together with the audited consolidated financial statements of R Systems IBIZCS Pte. Ltd. (the "Company") and its subsidiaries (the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024.

**1. OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; 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:

Gunalan Kalairajan  
Bernard Lim Sheun Long  
Ooi Pei Hui

(Appointed on 31 December 2024)

**3. ARRANGEMENTS TO ENABLE DIRECTORS 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 objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

**4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

None of the directors of the Company holding office at the reporting date had any interest in the shares or debentures of the Company or any related corporations either at the beginning or end of financial year.

**Directors' Statement – continued**

---

**5. SHARE OPTIONS**

There were no share options granted during the financial year to subscribe for unissued shares of the Company or any corporation in the Group.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

There were no unissued shares of the Company or any corporation in the Group under option at the end of the financial year.

**6. INDEPENDENT AUDITOR**

HLB Atrede LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors,



Gunalan Kalairajan  
Director

Singapore

11 February 2025



Ooi Pei Hui  
Director

**Independent Auditor's Report  
to the member of R Systems IBIZCS Pte. Ltd.**  
(Co. Reg. No. 200715700E)

---

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of R Systems IBIZCS Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provision 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 consolidated financial position of the Group and financial position of the Company as at 31 December 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity 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 Group 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.

**Independent Auditor's Report  
to the member of R Systems IBIZCS Pte. Ltd. – continued**  
(Co. Reg. No. 200715700E)

---

*Other Information (continued)*

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Directors for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

**Independent Auditor's Report  
to the member of R Systems IBIZCS Pte. Ltd. – continued**  
(Co. Reg. No. 200715700E)

---

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

20 Peck Seah Street #04-00  
Singapore 079312

t: +65 6323 1928  
f: +65 6225 3884

[www.hlbatrede.com](http://www.hlbatrede.com)

- 5 -

UEN T12LL0782L

HLB Atrede LLP is a member of  International. The Global Advisory and Accounting Network

**Independent Auditor's Report  
to the member of R Systems IBIZCS Pte. Ltd. – continued  
(Co. Reg. No. 200715700E)**

---

**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.

*HLB Atrede LLP*

HLB Atrede LLP  
Public Accountants and  
Chartered Accountants

Singapore  
11 February 2025

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Statements of Financial Position as at 31 December 2024**

	Note	Group		Company	
		2024 \$	2023 \$	2024 \$	2023 \$
<b>Non-current assets</b>					
Plant and equipment	4	83,125	123,805	61,213	104,488
Right of use assets	5	95,108	84,254	40,296	84,254
Intangible assets	6	40,671	61,218	–	–
Investment in subsidiaries	7	–	–	804,819	804,819
		<u>218,904</u>	<u>269,277</u>	<u>906,328</u>	<u>993,561</u>
<b>Current assets</b>					
Trade receivables	8	1,678,392	1,586,516	768,786	1,009,355
Other receivables	9	211,975	207,325	55,658	75,371
Contract assets	10	754,996	529,888	498,753	328,829
Amounts due from:					
- immediate holding company	11	–	–	–	4,187
- subsidiary companies	12	–	–	254,851	8,661
Cash and cash equivalents	13	4,002,844	4,652,771	2,288,928	2,735,832
		<u>6,648,207</u>	<u>6,976,500</u>	<u>3,866,976</u>	<u>4,162,235</u>
<b>Current liabilities</b>					
Trade payables	14	1,267,935	541,898	992,337	362,231
Other payables	15	816,295	596,813	372,329	360,050
Contract liabilities	16	1,922,331	1,838,795	1,093,396	1,106,975
Lease liability	17	68,818	42,994	41,440	42,994
Amounts due to:					
- intermediate holding company	18	167,409	151,426	67,906	101,544
- immediate holding company	19	12,528	55,040	–	–
- subsidiary companies	20	–	–	222,037	90,137
- related companies	21	5,559	8,921	5,559	5,849
Tax payable		20,675	55,063	11,113	11,113
		<u>4,281,550</u>	<u>3,290,950</u>	<u>2,806,117</u>	<u>2,080,893</u>
<b>Net current assets</b>		<u>2,366,657</u>	<u>3,685,550</u>	<u>1,060,859</u>	<u>2,081,342</u>
<b>Non-current liability</b>					
Lease liability	17	28,917	41,440	–	41,440
		<u>28,917</u>	<u>41,440</u>	<u>–</u>	<u>41,440</u>
<b>Net assets</b>		<u>2,556,644</u>	<u>3,913,387</u>	<u>1,967,187</u>	<u>3,033,463</u>

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Statements of Financial Position as at 31 December 2024 – continued**

	Note	Group		Company	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>Equity attributable to owner of the Company</b>					
Share capital	22	1,151,000	1,151,000	1,151,000	1,151,000
Foreign currency translation reserve	23	(13,363)	(64,779)	–	–
Accumulated profits		1,418,907	2,827,066	816,187	1,882,463
		<u>2,556,544</u>	<u>3,913,287</u>	<u>1,967,187</u>	<u>3,033,463</u>
Non-controlling interest		100	100	–	–
<b>Total equity</b>		<u>2,556,644</u>	<u>3,913,387</u>	<u>1,967,187</u>	<u>3,033,463</u>

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

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Consolidated Statement of Comprehensive Income  
for the financial year ended 31 December 2024**

	Note	2024 \$	2023 \$
<b>Revenue</b>	24	12,448,721	11,511,270
Other operating income	25	59,563	100,093
		<u>12,508,284</u>	<u>11,611,363</u>
Purchases of licenses/services		(6,272,034)	(4,863,747)
Subcontractor services		(194,915)	(328,952)
Staff costs	26	(4,507,976)	(4,388,532)
Allowance for expected credit losses:			
– trade receivables		(134,131)	(73,365)
– contract assets		(236,652)	(39,843)
Amortisation of intangible assets		(21,558)	(29,053)
Depreciation of plant and equipment		(72,104)	(34,753)
Depreciation of right-of-use assets		(70,294)	(85,762)
Finance cost	27	(6,786)	(1,710)
Rental of premises		(31,079)	(35,117)
Reversal for allowance for impairment:			
– trade receivables		20,503	116,744
– contract assets		64,981	50,441
Other expenses	28	(1,070,172)	(1,074,887)
<b>(Loss)/profit before tax</b>		(23,933)	822,827
Income tax expense	29	(184,226)	(258,813)
<b>(Loss)/profit for the year</b>		(208,159)	564,014
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		51,416	(35,761)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		51,416	(35,761)
<b>Total comprehensive (loss)/income for the year</b>		<u>(156,743)</u>	<u>528,253</u>
<b>(Loss)/profit attributable to:</b>			
Owner of the Company		<u>(208,159)</u>	<u>564,014</u>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owner of the Company		<u>(156,743)</u>	<u>528,253</u>

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

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Statements of Changes in Equity for the financial year ended 31 December 2024**

<b>Group</b>	<b>Share capital \$</b>	<b>Foreign currency translation adjustment reserve \$</b>	<b>Accumulated profits \$</b>	<b>Sub-total \$</b>	<b>Non- controlling interest \$</b>	<b>Total \$</b>
Balance at 1 January 2023	1,151,000	(29,018)	2,263,052	3,385,034	100	3,385,134
Total comprehensive income for the year	–	(35,761)	564,014	528,253	–	528,253
Balance at 31 December 2023	1,151,000	(64,779)	2,827,066	3,913,287	100	3,913,387
Dividend paid (Note 30)	–	–	(1,200,000)	(1,200,000)	–	(1,200,000)
Total comprehensive loss for the year	–	51,416	(208,159)	(156,743)	–	(156,743)
Balance at 31 December 2024	1,151,000	(13,363)	1,418,907	2,556,544	100	2,556,644

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
 (Co. Reg. No. 200715700E)

**Statements of Changes in Equity for the financial year ended 31 December 2024 – continued**

	<b>Share capital</b> \$	<b>Accumulated profits</b> \$	<b>Total</b> \$
<b>Company</b>			
Balance at 1 January 2023	1,151,000	1,089,326	2,240,326
Total comprehensive income for the year	–	793,137	793,137
Balance at 31 December 2023	1,151,000	1,882,463	3,033,463
Dividend paid (Note 30)	–	(1,200,000)	(1,200,000)
Total comprehensive income for the year	–	133,724	133,724
Balance at 31 December 2024	1,151,000	816,187	1,967,187

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

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Consolidated Statement of Cash Flows for the financial year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(23,933)	822,827
Adjustments for:		
Amortisation of intangible assets	21,558	29,053
Depreciation of plant and equipment	72,104	34,753
Depreciation of right-of-use assets	70,294	85,762
Interest expenses on lease liabilities	6,786	1,710
Interest income	(22,223)	(24,959)
Allowance for expected credit losses on contract assets	236,652	39,843
Allowance for expected credit losses on trade receivables	134,131	73,365
Gain on disposal of plant and equipment	–	(735)
Reversal of allowance for impairment on trade receivables	(20,503)	(116,744)
Reversal of allowance for impairment on contract asset	(64,981)	(50,441)
<b>Operating profit before working capital changes</b>	<b>409,885</b>	<b>894,434</b>
(Increase)/decrease in trade and other receivables, contract assets	(589,174)	253,487
Increase/(decrease) in trade and other payables, contract liabilities	1,003,161	(634,949)
(Increase)/decrease in amounts due from immediate holding company	(42,512)	34,347
Increase in amounts due to intermediate holding company	15,983	134,769
Decrease in amount due to immediate holding company	–	55,040
(Decrease)/increase in amounts due to related companies	(290)	713
<b>Cash generated from operations</b>	<b>797,053</b>	<b>603,072</b>
Tax paid	(217,313)	(226,846)
<b>Net cash flows generated from operating activities</b>	<b>579,740</b>	<b>376,226</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(30,998)	(106,983)
Sales proceed from disposal of plant and equipment	–	747
Interest received	22,223	24,959
<b>Net cash flows used in investing activities</b>	<b>(8,775)</b>	<b>(81,277)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to ordinary shareholder	(1,200,000)	–
(Increase)/decrease in amounts due from related companies	(3,072)	16,272
Interest paid	(6,786)	(1,710)
Repayment of principal lease liabilities	(67,904)	(91,445)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(1,261,779)</b>	<b>57,886</b>
Net (decrease)/increase in cash and cash equivalents	(706,797)	352,835
Effect of exchange rate changes on cash and cash equivalents	56,870	(32,363)
Cash and cash equivalents at beginning of year	4,652,771	4,332,299
<b>Cash and cash equivalents at end of year</b>	<b>4,002,844</b>	<b>4,652,771</b>

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

**Notes to the Financial Statements – 31 December 2024**

---

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

**1. CORPORATE INFORMATION**

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

The principal activities of the Company are those relating to the business of information technology consulting and general trading.

The registered office of the Company is located at 16 Jalan Kilang, #04-01 Hoi Hup Building, Singapore 159416.

The immediate holding Company is R Systems (Singapore) Pte Limited, which is incorporated in Singapore. The intermediate holding Company is R Systems International Limited, which is incorporated in India and listed on the National Stock Exchange of India Limited and BSE Limited. The penultimate and ultimate holding company are BCP Asia II TopCo II Pte. Ltd. and BCP Asia II Holdco II Pte. Ltd., which both companies are incorporated in Singapore.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

(a) *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Financial Reporting Standards in Singapore (“FRS”). The financial statements have been prepared on the historical cost basis except as disclosed in the material accounting policy information below.

The financial statements are presented in Singapore Dollar (“SGD” or “\$”) and all values are rounded to the nearest one-dollar unless otherwise stated.

(b) *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in current financial year, the Group and the Company has adopted all the new and amended standards which are relevant to the Group and the Company and are effective for annual financial period beginning on 1 January 2024. The adoption of these standards did not have any material effect on the financial statements of the Group and the Company.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(c) *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 preparing these financial statements. The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

**(d) *Basis of consolidation and business combination***

**(i) *Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

**(ii) *Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(d) *Basis of consolidation and business combinations (continued)***

**(ii) *Business combinations and goodwill (continued)***

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

**(e) *Foreign currency***

The financial statements are presented in Singapore Dollar, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(e) *Functional currency (continued)*

(i) *Transactions and balances*

Transactions in foreign currencies are measured in the functional currency 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 to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(ii) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(f) *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

**Notes to the Financial Statements – 31 December 2024**

---

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(f) *Plant and equipment (continued)*

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Communication equipment	–	3 years
Furniture and fitting	–	5 years
Computer equipment	–	1 to 3 years
Leasehold improvements	–	1.5 to 3 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

For acquisition and disposals of plant and equipment, depreciation is provided in the month of acquisition and no depreciation is provided in the month of disposal.

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

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

(g) *Intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible asset are depreciated on straight-line basis over the estimated useful lives of the assets as follows:

Customer contract	–	Over the contract period
Non-compete fee	–	Over the non-compete period
Software	–	3 years

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(g) *Intangible assets (continued)***

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

▪ *Purchased goodwill*

Purchased goodwill is attributable to the acquisition of the business. Purchased goodwill measures at the date of business acquisition as the fair values of the consideration transferred over the net recognised amount of the identifiable assets acquired. The purchased goodwill acquired has an indefinite useful lives as the management believes there is no foreseeable limit to the period over which the business acquired is expected to generate net cash inflows for the Company. The purchased goodwill is tested annually for impairment.

**(h) *Subsidiaries***

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

**(i) *Leases***

The Group 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. Reassessment is only required when the terms and conditions of the contract are changed.

**(i) *As lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(i) Leases (continued)**

**(i) As lessee (continued)**

▪ *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term as follows:

Guest house	–	1.5 years
-------------	---	-----------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as the accounting policy disclosed in Note 2(j).

▪ *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(i) *Leases (continued)*

(i) *As lessee (continued)*

▪ *Lease liabilities (continued)*

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

▪ *Short term and low value leases*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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.

(j) *Financial instrument*

(i) *Financial assets*

*Initial recognition and measurement*

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

At initial recognition, the Group 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 Group 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.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(j) *Financial instrument (continued)*

(i) *Financial assets (continued)*

*Subsequent measurement*

*Amortised cost*

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

*Derecognition*

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

(ii) *Financial liabilities*

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group 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.

*Derecognition*

A financial liability is de-recognised 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. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(j) *Financial instrument (continued)*

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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 Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that a non-financial asset, may be impaired. If any such an indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(l) *Impairment of non-financial assets (continued)***

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

**(m) *Contract balances***

*Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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.

*Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**(n) *Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and at bank, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

**(o) *Trade and other payables***

Trade and other payables are non-interest bearing and trade payables are normally settled on 30 to 60 days' terms while other payables have an average term of six months.

**(p) *Government grant***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(p) ***Government grant (continued)***

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as “Other operating income”. Alternatively, they are deducted in reporting the related expenses.

(q) ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and when 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.

(r) ***Employee benefits***

(i) ***Defined contribution plans***

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(s) *Revenue*

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

(i) *IT Professional services*

The Group provides IT system implementation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the estimated total man days service to be provided because the customer received and uses the benefits simultaneously. This is determined based on the actual man days service performed relative to the total expected man days services.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Some contracts include multiple deliverables, such as the sale of hardware and license, and implementation supporting services. However, the implementation and support service are simple and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where there are not directly observable, they are estimated based on expected cost plus margin. If contracts include the sale of hardware and license, revenue for the hardware and license is delivered, the legal title has passed and the customer has accepted the hardware and license.

(ii) *Commission income*

Commission income is recognised upon services rendered and for vendors.

(iii) *Interest income*

Interest income is recognised as interest accrues (using the effective interest method) unless collectability is in doubt.

**Notes to the Financial Statements – 31 December 2024**

---

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(t) *Taxes*

(i) *Current income tax*

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

Current income taxes are recognised in the profit or loss except to the extent that 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.

(ii) *Deferred tax*

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

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to 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 the reporting period.

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

(iii) *Sales tax*

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

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax 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 sales tax included.

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

**2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

(u) *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 Group and 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 Group or Company or of a parent of the Company.
  
- (b) An entity is related to the Group and 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) Both entities are joint ventures of the same third party;
  - (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).

### **3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. However, 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.

(i) *Judgement made in applying accounting policies*

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

▪ *Revenue from contracts with customers*

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

For the implementation and commissioning of IT services, revenue is recognised over time based on the actual man days service performed relative to the total estimated man days to be performed. The estimated man days to be performed are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in its similar implementation and commissioning IT services.

(ii) *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

▪ *Provision for expected credit losses of trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customers segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates

When calculating ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**

(ii) *Estimates and assumptions (continued)*

▪ *Provision for expected credit losses of trade receivables and contract assets (continued)*

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 8 and Note 10 respectively.

▪ *Income tax*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements – 31 December 2024

4. PLANT AND EQUIPMENT

Group	Communication equipment \$	Furniture and fitting \$	Computer equipment \$	Leasehold improvements \$	Total \$
<b>Cost:</b>					
At 1 January 2023	82,226	55,096	221,020	118,988	477,330
Additions	111	25,180	21,593	60,099	106,983
Disposal	–	(2,468)	(20,139)	–	(22,607)
Currency alignment	(1,773)	(402)	(3,729)	(6,841)	(12,745)
At 31 December 2023 and 1 January 2024	80,564	77,406	218,745	172,246	548,961
Additions	156	2,623	28,219	–	30,998
Currency alignment	(18,037)	(2,904)	3,378	1,057	(16,506)
At 31 December 2024	62,683	77,125	250,342	173,303	563,453
<b>Accumulated depreciation:</b>					
At 1 January 2023	81,178	53,071	172,016	118,838	425,103
Charge for the year	118	659	33,635	341	34,753
Disposal	–	(2,456)	(20,139)	–	(22,595)
Currency alignment	(1,091)	(820)	(3,188)	(7,006)	(12,105)
At 31 December 2023 and 1 January 2024	80,205	50,454	182,324	112,173	425,156
Charge for the year	157	5,877	28,251	37,819	72,104
Currency alignment	(18,037)	(3,015)	3,060	1,060	(16,932)
At 31 December 2024	62,325	53,316	213,635	151,052	480,328
<b>Net carrying amount:</b>					
At 31 December 2023	359	26,952	36,421	60,073	123,805
At 31 December 2024	358	23,809	36,707	22,251	83,125

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Notes to the Financial Statements – 31 December 2024**

**4. PLANT AND EQUIPMENT (continued)**

Company	Communication equipment \$	Furniture and fitting \$	Computer equipment \$	Leasehold improvements \$	Total \$
<b>Cost:</b>					
At 1 January 2023	31,839	12,311	126,507	44,777	215,434
Additions	–	25,180	7,360	59,748	92,288
Written off	–	–	(19,418)	–	(19,418)
At 31 December 2023 and 1 January 2024	31,839	37,491	114,449	104,525	288,304
Additions	–	537	14,451	–	14,988
At 31 December 2024	31,839	38,028	128,900	104,525	303,292
<b>Accumulated depreciation:</b>					
At 1 January 2023	31,839	12,311	95,136	44,777	184,063
Charge for the year	–	19,171	–	–	19,171
Written off	–	–	(19,418)	–	(19,418)
At 31 December 2023 and 1 January 2024	31,839	31,482	75,718	44,777	183,816
Charge for the year	–	5,078	15,450	37,735	58,263
At 31 December 2024	31,839	36,560	91,168	82,512	242,079
<b>Net carrying amount:</b>					
At 31 December 2023	–	6,009	38,731	59,748	104,488
At 31 December 2024	–	1,468	37,732	22,013	61,213

**Notes to the Financial Statements – 31 December 2024**

**5. RIGHT OF USE ASSETS**

<b>Group</b>	<b>Guest house</b> \$	<b>Office</b> \$	<b>Total</b> \$
<b>Cost:</b>			
At 1 January 2023	70,789	388,667	459,456
Addition	87,917	–	87,917
Written off	–	(310,733)	(310,733)
At 31 December 2023	158,706	77,934	236,640
Addition	–	79,009	79,009
Currency alignment	–	(1,461)	(1,461)
At 31 December 2024	158,706	155,482	314,188
	(118,410)	(100,670)	(219,080)
<b>Accumulated depreciation:</b>			
At 1 January 2023	38,345	338,318	376,663
Charge for the year	36,107	49,655	85,762
Written off	–	(310,733)	(310,733)
Currency alignment	–	694	694
At 31 December 2023	74,452	77,934	152,386
Charge for the year	43,958	26,336	70,294
Currency alignment	–	(3,600)	(3,600)
At 31 December 2024	118,410	100,670	219,080
<b>Net carrying amount:</b>			
At 31 December 2023	84,254	–	84,254
At 31 December 2024	40,296	54,812	95,108

**Notes to the Financial Statements – 31 December 2024**

**5. RIGHT OF USE ASSETS (continued)**

<b>Company</b>	<b>Guest house</b> \$	<b>Office</b> \$	<b>Total</b> \$
<b>Cost:</b>			
At 1 January 2023	70,789	310,733	381,522
Addition	87,917	–	87,917
Lease expired	–	(310,733)	(310,733)
At 31 December 2023	158,706	–	158,706
Addition	–	–	–
At 31 December 2024	158,706	–	158,706
<b>Accumulated depreciation:</b>			
At 1 January 2023	38,345	284,837	323,182
Charge for the year	36,107	25,896	62,003
Lease expired	–	(310,733)	(310,733)
At 31 December 2023	74,452	–	74,452
Charge for the year	43,958	–	43,958
At 31 December 2024	118,410	–	118,410
<b>Net carrying amount:</b>			
At 31 December 2023	84,254	–	84,254
At 31 December 2024	40,296	–	40,296

The Group and the Company entered into commercial leases primarily for its office premises and guesthouse. The average lease terms are 2 years (2023: 2 years).

The maturity analysis of lease liabilities is present in Note 17.

(i) Amounts recognised in profit and loss

	<b>Group</b>		<b>Company</b>	
	<b>2024</b> \$	<b>2023</b> \$	<b>2024</b> \$	<b>2023</b> \$
Depreciation expense on right-of-use assets	70,294	85,762	43,958	62,003
Interest expense on lease liabilities	6,786	1,710	3,206	1,222
	<u>77,080</u>	<u>87,472</u>	<u>47,164</u>	<u>63,225</u>

(ii) Total cash outflow

The Group and Company had total cash flow for all the leases of \$74,690 and \$46,200 (2023: \$93,155 and \$65,871) respectively.

**Notes to the Financial Statements – 31 December 2024**

**5. RIGHT OF USE ASSETS (continued)**

(iii) *Extension options*

The leases for certain leasehold property contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group and the Company is not reasonably certain to exercise these extension option. The Group and the Company negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group and the Company's operations. The majority of the extension options are exercisable by the Group and the Company and not by the lessor.

**6. INTANGIBLE ASSETS**

	<b>Purchased goodwill</b>	<b>Customer contract</b>	<b>Non- compete fee</b>	<b>Software</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Group</b>					
<b>Cost:</b>					
At 1 January 2023	17,332	49,460	42,573	42,585	151,950
Currency alignment	(229)	(655)	(563)	(563)	(2,010)
At 31 December 2023	17,103	48,805	42,010	42,022	149,940
Currency alignment	565	1,613	1,388	1,387	4,953
At 31 December 2024	17,668	50,418	43,398	43,409	154,893
<b>Amortisation:</b>					
At 1 January 2023	–	26,609	12,772	21,292	60,673
Charge for the year	–	6,488	8,461	14,104	29,053
Currency alignment	–	(398)	(228)	(378)	(1,004)
At 31 December 2023	–	32,699	21,005	35,018	88,722
Charge for the year	–	6,357	8,291	6,910	21,558
Currency alignment	–	1,378	1,083	1,481	3,942
At 31 December 2024	–	40,434	30,379	43,409	114,222
<b>Net carrying amount:</b>					
At 31 December 2023	17,103	16,106	21,005	7,004	61,218
At 31 December 2024	17,668	9,984	13,019	–	40,671

**7. INVESTMENT IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Unquoted shares, at cost	804,819	804,819

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Notes to the Financial Statements – 31 December 2024**

**7. INVESTMENT IN SUBSIDIARIES (continued)**

Details of the subsidiaries at 31 December 2024 are as follows:

Name and principal activities	Country of incorporation	Cost of investments		Proportion (%) of ownership interest	
		2024 \$	2023 \$	2024 %	2023 %
<i>Held by the Company</i>					
R Systems IBIZCS Sdn. Bhd. (I.T. integrated solution services and I.T. support)	Malaysia	176,675	176,675	100	100
PT RSYSTEMS IBIZCS International (I.T. integrated solution services and I.T. support)	Indonesia	359,250	359,250	99.56	99.56
IBIZ Consulting Services Limited (I.T. integrated solution services and I.T. support)	Hong Kong	1,859	1,859	100	100
IBIZ Consulting (Thailand) Co., Ltd (Dormant)	Thailand	<u>267,035</u>	<u>267,035</u>	100	100
		<u>804,819</u>	<u>804,819</u>		

The details of the indirect subsidiaries held by IBIZ Consulting Pte. Ltd. at 31 December are as follows:

Name and principal activities	Country of incorporation	Proportion (%) of ownership interest	
		2024 %	2023 %
<i>Held by direct subsidiary company</i>			
<i>– IBIZ Consulting Services Limited</i>			
IBIZ Consulting Services (Shanghai) Co., Ltd (I.T. integrated solution services and I.T. support)	China	100	100

**Notes to the Financial Statements – 31 December 2024**

**8. TRADE RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
Trade receivables	1,904,622	1,696,527	888,887	1,076,977
Less: Allowance for expected credit losses	<u>(226,230)</u>	<u>(110,011)</u>	<u>(120,101)</u>	<u>(67,622)</u>
	<u>1,678,392</u>	<u>1,586,516</u>	<u>768,786</u>	<u>1,009,355</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition. The Group and the Company assesses at the end of each reporting period whether there is objective evidence that trade and other receivables are impaired. Receivables over 180 days past due are generally fully impaired as historical experience has indicated that these receivables are largely not recoverable.

*Receivables that are impaired*

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach.

<b>Group</b>	<b>Lifetime ECL not credit impaired \$</b>
Balance as at 1 January 2023	172,067
Allowance made for the year	73,365
Reversal during the year	(116,744)
Currency alignment	(1,828)
Written off against trade receivables	<u>(16,849)</u>
Balance as at 31 December 2023	110,011
Allowance made for the year	134,131
Reversal during the year	(20,503)
Currency alignment	2,591
Balance as at 31 December 2024	<u>226,230</u>

**Notes to the Financial Statements – 31 December 2024**

**8. TRADE RECEIVABLES (continued)**

*Receivables that are impaired (continued)*

<b>Company</b>	<b>Lifetime ECL not credit impaired \$</b>
Balance as at 1 January 2023	144,451
Allowance made for the year	29,453
Reversal during the year	<u>(106,282)</u>
Balance as at 31 December 2023	67,622
Allowance made for the year	65,012
Reversal during the year	<u>(12,533)</u>
Balance as at 31 December 2024	<u><u>120,101</u></u>

The Group and the Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for individual customers as at 31 December:

	<b>Expected credit loss %</b>	<b>Gross carrying amount \$</b>	<b>Impairment loss allowance \$</b>	<b>Credit impaired</b>
<b>Group</b>				
<b>2024</b>				
Current (not past due)	0.36	684,846	(2,701)	No
1 to 90 days past due	0.35	739,194	(2,358)	No
91 to 180 days past due	0.93	258,485	(8,000)	No
More than 180 days past due	2.00	<u>222,097</u>	<u>(213,171)</u>	Yes
		<u>1,904,622</u>	<u>(226,230)</u>	
<b>2023</b>				
Current (not past due)	0.29	758,350	(1,745)	No
1 to 90 days past due	0.38	716,622	(4,402)	No
91 to 180 days past due	0.83	111,279	(554)	No
More than 180 days past due	2.00	<u>110,276</u>	<u>(103,310)</u>	Yes
		<u>1,696,527</u>	<u>(110,011)</u>	

**Notes to the Financial Statements – 31 December 2024**

**8. TRADE RECEIVABLES (continued)**

Company	Expected credit loss %	Gross carrying amount \$	Impairment loss allowance \$	Credit impaired
<b>2024</b>				
Current (not past due)	0.36	209,103	(2,701)	No
1 to 90 days past due	0.35	375,286	(2,358)	No
91 to 180 days past due	0.93	177,580	(2,404)	No
More than 180 days past due	2.00	126,918	(112,638)	Yes
		<u>888,887</u>	<u>(120,101)</u>	
<b>2023</b>				
Current (not past due)	0.29	408,033	(1,745)	No
1 to 90 days past due	0.38	487,587	(2,194)	No
91 to 180 days past due	0.83	76,701	(554)	No
More than 180 days past due	2.00	104,656	(63,129)	Yes
		<u>1,076,977</u>	<u>(67,622)</u>	

Trade receivables are denominated in the following currencies as at 31 December:

	Group		Company	
	2024 \$	2023 \$	2024 \$	2023 \$
Singapore Dollar				
Dollar	525,572	678,703	505,048	678,703
United States Dollar	254,271	409,656	236,260	330,652
Malaysia Ringgit	754,905	339,436	23,493	–
Indonesian Rupiah	48,504	131,633	–	–
Others	95,140	27,088	3,985	–
	<u>1,678,392</u>	<u>1,586,516</u>	<u>768,786</u>	<u>1,009,355</u>

**9. OTHER RECEIVABLES**

<b>Financial assets</b>				
Deposits	29,433	29,921	8,471	8,471
Staff advances – interest free	18,511	20,717	–	–
Sundry receivables	1,077	1,077	1,077	1,077
	<u>49,021</u>	<u>51,715</u>	<u>9,548</u>	<u>9,548</u>
<b>Non-financial assets</b>				
GST Receivable	–	20,671	–	–
Tax recoverable	–	2,075	–	–
Prepayments	100,841	75,353	12,912	11,673
Deferred costs	62,113	57,511	33,198	54,150
	<u>211,975</u>	<u>207,325</u>	<u>55,658</u>	<u>75,371</u>

**Notes to the Financial Statements – 31 December 2024**

**9. OTHER RECEIVABLES (continued)**

Other receivables are denominated in the following currencies as at 31 December:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Singapore Dollar	9,548	9,548	9,548	9,548
Indonesia Rupiah	27,068	29,318	–	–
Malaysia Ringgit	9,149	8,635	–	–
Others	3,256	4,214	–	–
	<u>49,021</u>	<u>51,715</u>	<u>9,548</u>	<u>9,548</u>

**10. CONTRACT ASSETS**

Contract assets	1,045,349	639,585	579,513	386,937
Less: Allowance for expected credit losses	<u>(290,353)</u>	<u>(109,697)</u>	<u>(80,760)</u>	<u>(58,108)</u>
	<u>754,996</u>	<u>529,888</u>	<u>498,753</u>	<u>328,829</u>

Contract assets primarily relate to the right to consideration for work completed but not yet billed at reporting date for services rendered. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

There were no significant changes in the contract asset balances during the reporting period.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the Technology industry.

The movement in allowances accounts used to record the impairment as follows:

Balance at beginning of year	109,697	122,190	58,108	101,651
Charge for the year	236,652	39,843	47,791	–
Reversal during the year	(64,981)	(50,441)	(25,139)	(43,543)
Currency alignment	8,985	(1,895)	–	–
Balance at end of the year	<u>290,353</u>	<u>109,697</u>	<u>80,760</u>	<u>58,108</u>

**Notes to the Financial Statements – 31 December 2024**

**10. CONTRACT ASSETS (continued)**

The following table provides information about the exposure to credit risk and ECLs for contract assets for individual customers as at 31 December:

<b>Group</b>	<b>Expected credit loss %</b>	<b>Gross carrying amount \$</b>	<b>Impairment loss allowance \$</b>	<b>Credit impaired</b>
<b>2024</b>				
Current (not past due)	0.36	401,651	(47,564)	No
1 to 90 days past due	0.35	295,833	–	No
91 to 180 days past due	0.93	139,077	(34,001)	No
More than 180 days past due	2.00	208,788	(208,788)	Yes
		<u>1,045,349</u>	<u>(290,353)</u>	
<b>2023</b>				
Current (not past due)	0.29	252,249	(39,843)	No
1 to 90 days past due	0.38	257,050	–	No
91 to 180 days past due	0.83	44,176	(7,354)	No
More than 180 days past due	2.00	86,110	(62,500)	Yes
		<u>639,585</u>	<u>(109,697)</u>	
<b>Company</b>				
<b>2024</b>				
Current (not past due)	0.36	212,218	–	No
1 to 90 days past due	0.35	246,823	–	No
91 to 180 days past due	0.93	73,713	(34,001)	No
More than 180 days past due	2.00	46,759	(46,759)	Yes
		<u>579,513</u>	<u>(80,760)</u>	
<b>2023</b>				
Current (not past due)	0.29	105,359	–	No
1 to 90 days past due	0.38	216,028	–	No
91 to 180 days past due	0.83	14,796	(7,354)	No
More than 180 days past due	2.00	50,754	(50,754)	No
		<u>386,937</u>	<u>(58,108)</u>	

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

**11. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY**

The amounts due are trade in nature, unsecured, interest-free, repayable upon demand and fully settled during the year.

**Notes to the Financial Statements – 31 December 2024**

**12. AMOUNTS DUE FROM SUBSIDIARY COMPANIES**

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Trade	342,655	385,996
Less: Allowance for impairment	<u>(87,804)</u>	<u>(377,335)</u>
	<u>254,851</u>	<u>8,661</u>
Non-trades	399,523	399,523
Less: Allowance for impairment	<u>(399,523)</u>	<u>(399,523)</u>
	<u>–</u>	<u>–</u>
	<u>254,851</u>	<u>8,661</u>

The amounts are unsecured, interest-free, generally on 30 to 90 days' term for trade balances and repayable on demand for non-trade balances.

The movement in allowances accounts used to record the impairment as follows:

Balance at beginning of year	776,858	1,055,113
Charge to for the year	10,297	1,001
Reversal during the year	<u>(299,828)</u>	<u>(279,256)</u>
Balance at end of the year	<u>487,327</u>	<u>776,858</u>

The amounts due from subsidiary companies are denominated in the following currencies as at 31 December:

Singapore Dollar	153,885	8,661
United States Dollar	<u>100,966</u>	<u>–</u>
	<u>254,851</u>	<u>8,661</u>

The following table provides information about the exposure to credit risk and ECLs for trade amount due from subsidiaries as at 31 December:

	<b>Expected credit loss</b>	<b>Gross carrying amount</b>	<b>Impairment loss allowance</b>	<b>Credit impaired</b>
	%	\$	\$	
<b>2024</b>				
Current (not past due)	–	19,772	–	No
1 to 30 days past due	–	33,297	–	No
31 to 60 days past due	–	16,212	–	No
61 to 90 days past due	–	19,178	–	No
More than 90 days past due	–	<u>254,196</u>	<u>(87,804)</u>	Yes
		<u>342,655</u>	<u>(87,804)</u>	

**Notes to the Financial Statements – 31 December 2024**

**12. AMOUNTS DUE FROM SUBSIDIARY COMPANIES (continued)**

	<b>Expected credit loss %</b>	<b>Gross carrying amount \$</b>	<b>Impairment loss allowance \$</b>	<b>Credit impaired</b>
<b>2023</b>				
Current (not past due)	–	17,880	(9,221)	Yes
1 to 30 days past due	–	478	(478)	Yes
31 to 60 days past due	–	4,753	(4,751)	Yes
61 to 90 days past due	–	–	–	No
More than 90 days past due	–	362,885	(362,885)	Yes
		<u>385,996</u>	<u>(377,335)</u>	

**13. CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
Cash at bank	3,607,046	3,222,606	2,288,928	1,935,832
Cash on hand	4,381	4,176	–	–
Short term deposits	391,417	1,425,989	–	800,000
Cash and cash equivalents stated in cash flow	<u>4,002,844</u>	<u>4,652,771</u>	<u>2,288,928</u>	<u>2,735,832</u>

Cash and cash equivalents are denominated in the following currencies as at 31 December:

Singapore Dollar	979,660	1,446,818	979,660	1,446,818
United States dollar	1,518,973	1,291,897	1,309,268	1,289,014
Malaysia Ringgit	629,136	740,455	–	–
Indonesia Rupiah	577,079	820,038	–	–
Thai Baht	193,070	120,004	–	–
Chinese Renminbi	100,630	152,754	–	–
Hong Kong Dollar	4,296	80,805	–	–
	<u>4,002,844</u>	<u>4,652,771</u>	<u>2,288,928</u>	<u>2,735,832</u>

Cash at bank earns interest at floating rates based on daily bank deposits rates. Short-term deposits are placed for varying periods of three months depending on the immediate cash requirements of the Group and Company and earn interests ranging from 2.5% to 5% (2023: 2.5% to 5%) per annum.

**Notes to the Financial Statements – 31 December 2024**

**14. TRADE PAYABLES**

Trade payables are denominated in the following currencies as at 31 December:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
Singapore Dollar	143,124	245,437	143,124	245,437
United States dollar	966,028	117,791	849,213	116,794
Malaysia Ringgit	56,684	128,513	–	–
Indonesia Rupiah	2,633	21,636	–	–
Others	99,466	28,521	–	–
	<u>1,267,935</u>	<u>541,898</u>	<u>992,337</u>	<u>362,231</u>

**15. OTHER PAYABLES**

<b>Financial liabilities</b>				
Accrued liabilities	362,230	240,033	268,188	207,450
Accrued salaries and related cost	182,861	126,527	27,370	32,677
Sundry payables	20,690	42,049	13,623	33,160
	<u>565,781</u>	<u>408,609</u>	<u>309,181</u>	<u>273,287</u>
<b>Non-financial liabilities</b>				
Advance from customer	–	–	–	–
GST payables	157,164	91,289	39,630	56,628
Provision for unutilised leave	37,618	38,553	23,518	30,135
Withholding tax payable	55,732	58,362	–	–
	<u>816,295</u>	<u>596,813</u>	<u>372,329</u>	<u>360,050</u>

Other payables are denominated in the following currencies as at 31 December:

Singapore Dollar	314,090	273,287	309,181	273,287
Indonesia Rupiah	93,588	75,434	–	–
Malaysia Ringgit	67,540	22,059	–	–
Thai Baht	75,786	25,157	–	–
Chinese Renminbi	12,412	10,478	–	–
Hong Kong Dollar	2,365	2,194	–	–
	<u>565,781</u>	<u>408,609</u>	<u>309,181</u>	<u>273,287</u>

**16. CONTRACT LIABILITIES**

Contract liabilities relate to advance billings to customers for implementation and support service, and hosting service to be provided. The Group and Company expect to recognise the revenue from these contract liabilities when the services are rendered within the next financial year. There were no significant changes in the contract liability balances during the reporting period.

**Notes to the Financial Statements – 31 December 2024**

**17. LEASE LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
Analysed as:				
Current	68,818	42,994	41,440	42,994
Non-current	28,917	41,440	–	41,440
	<u>97,735</u>	<u>84,434</u>	<u>41,440</u>	<u>84,434</u>
Maturity analysis:				
Year 1	71,997	46,200	42,350	46,200
Year 2	29,647	42,350	–	42,350
	<u>101,644</u>	<u>88,550</u>	<u>42,350</u>	<u>88,550</u>
Less: Unearned interest	<u>(3,909)</u>	<u>(4,116)</u>	<u>(910)</u>	<u>(4,116)</u>
	<u>97,735</u>	<u>84,434</u>	<u>41,440</u>	<u>84,434</u>

The Group and the Company does not face significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored by the finance directors.

**18. AMOUNTS DUE TO INTERMEDIATE HOLDING COMPANY**

The amounts due are trade in nature, unsecured, interest-free, repayable upon demand and to be settled in cash.

**19. AMOUNTS DUE TO IMMEDIATE HOLDING COMPANY**

The amounts due are trade in nature, unsecured, interest-free, repayable upon demand and to be settled in cash.

**20. AMOUNTS DUE TO SUBSIDIARIES COMPANIES**

The amounts due are trade in nature, unsecured, interest-free, repayable upon demand, to be settled in cash and denominated in the following currencies as at 31 December:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Singapore Dollar	136,120	19,303
United States Dollar	85,917	67,224
Malaysia Ringgit	–	3,610
	<u>222,037</u>	<u>90,137</u>

**Notes to the Financial Statements – 31 December 2024**

**21. AMOUNTS DUE TO RELATED COMPANIES**

The amounts due are trade in nature, unsecured, interest-free, repayable upon demand and to be settled in cash.

**22. SHARE CAPITAL**

	<b>Group and Company</b>			
	<b>2024</b>		<b>2023</b>	
	Number of shares	\$	Number of shares	\$
Issued and fully paid:				
Ordinary shares	<u>1,151,000</u>	<u>1,151,000</u>	<u>1,151,000</u>	<u>1,151,000</u>

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

**23. FOREIGN CURRENCY TRANSLATION RESERVE**

The foreign currency translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

**24. REVENUE**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Type of goods and services:</i>		
Sale of licence	5,212,153	4,940,968
Sale of hardware	29,614	31,078
Rendering of services	5,111,350	4,237,115
Annual maintenance and support service	1,659,584	1,639,895
Hosting service	436,020	662,214
	<u>12,448,721</u>	<u>11,511,270</u>
<i>Timing of revenue recognition:</i>		
Goods transferred at a point in time	5,241,767	4,972,046
Services transferred over time	7,206,954	6,539,224
	<u>12,448,721</u>	<u>11,511,270</u>

**25. OTHER OPERATING INCOME**

Interest income	22,223	24,959
Sundry income	37,340	75,134
	<u>59,563</u>	<u>100,093</u>

**R Systems IBIZCS Pte. Ltd. and its Subsidiaries**  
(Co. Reg. No. 200715700E)

**Notes to the Financial Statements – 31 December 2024**

---

**26. STAFF COSTS**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Salaries, bonuses and others	4,123,845	3,883,789
Contribution to defined contribution plan	296,337	401,646
Other staff costs	87,794	103,097
	<u>4,507,976</u>	<u>4,388,532</u>

**27. FINANCE COST**

Interest expense on lease liabilities	<u>6,786</u>	<u>1,710</u>
---------------------------------------	--------------	--------------

**28. OTHER EXPENSES**

The other expenses are arrived at after crediting/charging:

Foreign exchange adjustment, loss	39,779	107,393
Gain on disposal of plant and equipment	–	(735)
Transportation	<u>144,995</u>	<u>88,144</u>

**29. INCOME TAX EXPENSE**

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

Statement of comprehensive income:

<u>Current tax</u>		
Current year	169,193	159,608
Under provision in prior years	15,033	99,205
	<u>184,226</u>	<u>258,813</u>

**Notes to the Financial Statements – 31 December 2024**

**29. INCOME TAX EXPENSE (continued)**

(ii) *Relationship between tax expense and accounting profit*

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2024 and 2023 are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
(Loss)/profit before tax	<u>(23,933)</u>	<u>822,827</u>
Tax at domestic rates applicable to profit in the country where the Group operates	18,418	183,727
Adjustments:		
Tax effect of expenses that are not deductible in determining taxable profit	99,313	27,040
Income not subject to tax	(38,753)	(15,973)
Tax exemption	–	(2,594)
Tax effect of temporary differences not recognised	–	(2,174)
Temporary differences	–	(22,769)
Deferred tax assets not recognised	86,929	–
Under provision in prior years	15,033	99,205
Others	3,286	(7,649)
Total tax expense	<u>184,226</u>	<u>258,813</u>

At the end of the reporting period, the Group and Company has unabsorbed tax losses and capital allowances of approximately amounting to \$478,000 and \$43,000 respectively (2023: \$31,000 and \$43,000) that are available for offset against future taxable profits of the Company in which the losses arose for which no deferred tax assets is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement with the Income Tax Authorities.

The corporate income tax rates of the jurisdiction in which the subsidiaries are located are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Malaysia	24%	24%
Hong Kong	16.5%	16.5%
People's Republic of China	25%	25%
Thailand	20%	20%
Indonesia	22%	22%

**Notes to the Financial Statements – 31 December 2024**

**30. DIVIDEND PAID**

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Tax Exempt (One-tier) Dividend declared and paid during the financial year:		
Interim:		
– \$1.043 per ordinary share for financial year ended 31 December 2024	1,200,000	–

**31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

A reconciliation of (asset)/liabilities arising from financing activities is as follows:

	<b>1.1.2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>31.12.2024</b>
		<b>Repayment</b>	<b>Additions</b>	<b>Accretion of interests</b>	<b>Currency alignment</b>	
	\$	\$	\$	\$	\$	\$
Amounts due from related company	3,072	(3,072)	–	–	–	–
Lease liabilities	84,434	(74,690)	79,009	6,786	2,196	97,735
	<u>87,506</u>	<u>(77,762)</u>	<u>79,009</u>	<u>6,786</u>	<u>2,196</u>	<u>97,735</u>
	<b>1.1.2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>31.12.2023</b>
		<b>Repayment</b>	<b>Additions</b>	<b>Accretion of interests</b>	<b>Currency alignment</b>	
	\$	\$	\$	\$	\$	\$
Amounts due from related company	(13,200)	16,272	–	–	–	3,072
Lease liabilities	88,588	(93,155)	87,917	1,710	(626)	84,434
	<u>75,388</u>	<u>(76,883)</u>	<u>87,917</u>	<u>1,710</u>	<u>(626)</u>	<u>87,506</u>

**32. RELATED PARTY DISCLOSURES**

In addition to those related party information disclosed elsewhere in the financial statements, significant transactions between the Group and the Company and related parties that took place at terms agreed between the parties during the financial year are as follows:

(i) *Significant related party transactions*

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
<i>Intermediate holding company</i>				
Purchases of goods/services	(1,169,304)	(879,232)	(750,638)	(711,051)

**Notes to the Financial Statements – 31 December 2024**

**32. RELATED PARTY DISCLOSURES (continued)**

(i) *Significant related party transactions (continued)*

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
<i>Intermediate holding company</i>				
Purchases of goods/services	(1,169,304)	(879,232)	(750,638)	(711,051)
<i>Immediate holding company</i>				
Service income	176,326	40,200	–	–
<i>Related companies</i>				
Lease rental charges	(113,690)	(57,984)	85,200	(30,700)
Support charges	(83,162)	(39,470)	(30,270)	(39,470)
Other services	–	(61,254)	–	–
<i>Subsidiaries</i>				
Sales	–	–	444,739	459,597
Purchase of goods/services	–	–	(165,730)	(87,765)
Capital withdrawn	–	–	–	–
Dividend income	–	–	379,036	474,296
Professional services expenses	–	–	(104,429)	(116,383)

(ii) *Compensation of key management personnel*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Group. The directors of the Group and the general management of the Group are considered as key management personnel of the Group.

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Directors' remuneration	<u>311,506</u>	<u>256,378</u>

### **33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk and liquidity risk. The Group’s risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Group. The Group does not have any written financial risk management policies and guidelines and there has been no change to the Group’s exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group’s exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group’s and the Company’s exposure to credit risk arises primarily from trade and other receivables. For other financial asset including cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company’s objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control.

The Group and the Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group and the Company’s current credit risk grading framework comprises the following categories:

<b>Category</b>	<b>Description</b>	<b>Basis for recognising expected credit losses (“ECL”)</b>
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

**Notes to the Financial Statements – 31 December 2024**

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(i) *Credit risk (continued)*

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<b>Group</b>							
<b>2024</b>							
Trade receivables	8	N.A.	(a)	Lifetime ECL (simplified approach)	1,904,622	(226,230)	1,678,392
Other receivables	9	N.A.	Performing	12m ECL	49,021	—	49,021
Contract assets	10	N.A.	(a)	Lifetime ECL (simplified approach)	1,045,349	(290,353)	754,996
						<u>(516,583)</u>	
<b>2023</b>							
Trade receivables	8	N.A.	(a)	Lifetime ECL (simplified approach)	1,696,527	(110,011)	1,586,516
Other receivables	9	N.A.	Performing	12m ECL	51,715	—	51,715
Contract assets	10	N.A.	(a)	Lifetime ECL (simplified approach)	639,585	(109,697)	529,888
						<u>(219,708)</u>	
<b>Company</b>							
<b>2024</b>							
Trade receivables	8	N.A.	(a)	Lifetime ECL (simplified approach)	888,887	(120,101)	768,786
Other receivables	9	N.A.	Performing	12m ECL	9,548	—	9,548
Contract assets	10	N.A.	(a)	Lifetime ECL (simplified approach)	579,513	(80,760)	498,753
Amounts due from subsidiary companies	12	N.A.	(b)	12m ECL	742,178	(487,327)	254,851
						<u>(688,188)</u>	

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(i) *Credit risk (continued)*

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<b>Company (continued)</b>							
<b>2023</b>							
Trade receivables	8	N.A.	(a)	Lifetime ECL (simplified approach)	1,076,977	(67,622)	1,009,355
Other receivables	9	N.A.	Performing	12m ECL	9,548	—	9,548
Contract assets	10	N.A.	(a)	Lifetime ECL (simplified approach)	386,937	(58,108)	328,829
Amounts due from immediate holding company	11	N.A.	(b)	12m ECL	4,187	—	4,187
Amounts due from subsidiary companies	12	N.A.	(b)	12m ECL	785,519	(776,858)	8,661
						(902,588)	

(a) Trade receivables and contract assets

For trade receivables and contract assets, the Group and the Company have applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Company determines the expected credit losses on these items 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. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix (Note 8 and 10).

(b) Amount due from immediate holding company, related companies and subsidiaries

The Group assessed the latest performance and financial position of the counterparties and conclude that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment losses allowance using 12 months ECL.

***Exposure to credit risk***

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

***Credit risk concentration profile***

At the end of the reporting period, there were no significant concentrations of credit risk due to the Group's many varied customers.

It is the Group's policy to sell to a diversity of creditworthy customers so as to reduce concentration of credit risk.

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(i) *Credit risk (continued)*

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 8 (Trade receivables).

(ii) *Foreign currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group operates and sells their goods and services in several countries other than Singapore and transacts in foreign currencies. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to United States dollar (“USD”), Chinese Renminbi (“RMB”) and Malaysia Ringgit (“MYR”).

*Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity to a reasonably possible change in the USD, RMB and MYR, with all other variables held constant, of the Group’s loss before tax and equity.

	<b>Profit before tax</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>USD</b>		
– strengthened 3.2% (2023: 1.9%)	(25,528)	30,625
– weakened 3.2% (2023: 1.9%)	25,528	(30,625)
<b>RMB</b>		
– strengthened 0.3% (2023: 9.4%)	(124)	13,449
– weakened 0.3% (2023: 9.4%)	124	(13,449)
<b>MYR</b>		
– strengthened 6.0% (2023: 5.7%)	(75,555)	53,870
– weakened 6.0% (2023: 5.7%)	75,555	(53,870)

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iii) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

The Group's liquidity risk management policy is to monitor its working capital projections, taking into account the available banking and other borrowings facilities of the Group, and ensuring that the Group has adequate working capital to meet obligations and commitments due.

*Analysis of financial instruments by remaining contractual maturities*

The table below analyses the maturity profile of the Company's financial liabilities at the end of reporting period, based on contractual undiscounted repayment obligations.

	<b>Total</b>	<b>Within</b>	<b>Within two</b>
	\$	one year	to five years
		\$	\$
<b>Group</b>			
<b>2024</b>			
Trade payables	1,267,935	1,267,935	–
Other payables	565,781	565,781	–
Lease liabilities	101,644	71,997	29,647
Amounts due to:			
- immediate holding company	167,409	167,409	–
- intermediate holding company	12,528	12,528	–
- related companies	5,559	5,559	–
	<u>2,120,856</u>	<u>2,091,209</u>	<u>29,647</u>
			–
<b>2023</b>			
Trade payables	541,898	541,898	–
Other payables	408,609	408,609	–
Lease liabilities	88,550	46,200	42,350
Amounts due to:			
- immediate holding company	55,040	55,040	–
- intermediate holding company	151,426	151,426	–
- related companies	8,921	8,921	–
	<u>1,254,444</u>	<u>1,212,094</u>	<u>42,350</u>

**Notes to the Financial Statements – 31 December 2024**

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(iii) *Liquidity risk (continued)*

<b>Company</b>	<b>Total</b> \$	<b>Within one year</b> \$	<b>Within two to five years</b> \$
<b>2024</b>			
Trade payables	992,337	992,337	–
Other payables	309,181	309,181	–
Lease liabilities	42,350	42,350	–
Amounts due to:			
- intermediate holding company	67,906	67,906	–
- subsidiary companies	222,037	222,037	–
- related companies	5,559	5,559	–
	<u>1,639,370</u>	<u>1,639,370</u>	<u>–</u>
<b>2023</b>			
Trade payables	362,231	362,231	–
Other payables	273,287	273,287	–
Lease liabilities	88,550	46,200	42,350
Amounts due to:			
- intermediate holding company	101,544	101,544	–
- subsidiary companies	90,137	90,137	–
- related companies	5,849	5,849	–
	<u>921,598</u>	<u>879,248</u>	<u>42,350</u>

**34. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b> \$	<b>2023</b> \$	<b>2024</b> \$	<b>2023</b> \$
<i>Financial assets at amortised cost</i>				
Trade receivables	1,678,392	1,586,516	768,786	1,009,355
Other receivables	49,021	51,715	9,548	9,548
Contract assets	754,996	529,888	498,753	328,829
Amounts due from:				
- immediate holding company	–	–	–	4,187
- subsidiary companies	–	–	254,851	8,661
Cash and cash equivalents	4,002,844	4,652,771	2,288,928	2,735,832
	<u>6,485,253</u>	<u>6,820,890</u>	<u>3,820,866</u>	<u>4,096,412</u>

**Notes to the Financial Statements – 31 December 2024**

**34. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
<i>Financial liabilities at amortised cost</i>				
Trade payables	1,267,935	541,898	992,337	362,231
Other payables	565,781	408,609	309,181	273,287
Amounts due to:				
- intermediate holding company	12,528	151,426	67,906	101,544
- immediate holding company	167,409	55,040	–	–
- subsidiary companies	–	–	222,037	90,137
- related companies	5,559	8,921	5,559	5,849
Lease liabilities	97,735	84,434	41,440	84,434
	<u>2,116,947</u>	<u>1,250,328</u>	<u>1,638,460</u>	<u>917,482</u>

**35. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**(i) Fair value hierarchy**

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

The Group has no financial instruments that are carried at fair value at the end of each reporting period.

**35. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

**(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

Current trade and other receivables and payables (including amounts due from/(to) related companies), cash and cash equivalents, and accrued operating expenses.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

**36. CAPITAL MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, funding from holding company or obtain new borrowings.

The Group's overall strategy remains unchanged for 2024 and it is not subject to externally imposed capital requirements.

The Group monitors its cash flow, debt maturity profile and overall liquidity position on a continuous basis.

**37. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on the date of these statements.