

WOG TECHNOLOGIES PTE. LTD.

(Company Registration No.: 201118638H)

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

C O N T E N T S

	PAGES
Directors' Statement	1 - 2
Independent Auditor's Report	3 – 6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 37

WOG TECHNOLOGIES PTE. LTD.
(Company Registration No.: 201118638H)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors are pleased to present their statement to the member together with the audited financial statements of WOG Technologies Pte. Ltd. ("the Company") for the financial year ended 31 March 2024.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the ultimate holding company had given written confirmation to provide continuing financial support to the Company within the next twelve months.

2. DIRECTORS

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

Sunil Kumar
Karina Lou Xue Ting

3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES OR 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 director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

Name of directors	Direct interest	
	At the beginning of the financial year	At the end of the financial year
<u>Ordinary shares</u>		
<u>Ultimate and immediate holding company</u>		
W.O.G Technologies Holding Pte. Ltd.		
-Sunil Kumar	35,060	35,060
<u>The Company</u>		
-Sunil Kumar	10	10
-Karina Lou Xue Ting	15,030	15,030

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. SHARES OPTIONS

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

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

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

6. AUDITOR

AUDIT EXPRESS, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment as auditor of the Company.

The Board of Directors,



Sunil Kumar
Director



Karina Lou Xue Ting
Director

Date: **27 FEB 2025**

WOG TECHNOLOGIES PTE. LTD.
(Company Registration No.: 201118638H)

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

AUDIT EXPRESS
CHARTERED ACCOUNTANT

Block 54, Kent Road #04-03,
Singapore 210054.
Tel: (65) 6296 8436
Email: wilsonyeoh@hotmail.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WOG TECHNOLOGIES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of WOG Technologies Pte. Ltd. ("the company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

WOG TECHNOLOGIES PTE. LTD.
(Company Registration No.: 201118638H)

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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Other information

The Company's management is responsible for the other information. The other information comprises the Directors' Statement set out on page 1.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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CHARTERED ACCOUNTANT

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

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

WOG TECHNOLOGIES PTE. LTD.
(Company Registration No.: 201118638H)

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

**AUDIT EXPRESS
CHARTERED ACCOUNTANT**

Block 54, Kent Road #04-03,
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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's operations in Singapore have been properly kept in accordance with the provisions of the Act.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the attached Basis of Preparation to the report, which describes the basis of accounting. The report is prepared for the company to submit to investors. Our report is intended solely for the company and investors, and should not be distributed to or used by parties other than company and investors.



AUDIT EXPRESS
Public Accountants and
Chartered Accountants
Singapore
Date: 27 FEB 2025

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.:201118638H)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> <u>US\$</u>	<u>2023</u> <u>US\$</u>
ASSETS			
Non-Current Assets:			
Plant and equipment	4	352,814	454,861
Right-of-use assets	5	43,456	-
Total Non-Current Assets		<u>396,270</u>	<u>454,861</u>
Current Assets:			
Trade and other receivables	6	2,723,553	1,265,342
Amount due from related parties	7	973,613	391,114
Amount due from holding company	9	296	102,404
Cash and cash equivalents	10	513,401	240,599
Total Current Assets		<u>4,210,863</u>	<u>1,999,459</u>
TOTAL ASSETS		<u>4,607,133</u>	<u>2,454,320</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	400,080	400,080
Retained earnings		320,955	228,286
Equity attributable to the owner of the Company		<u>721,035</u>	<u>628,366</u>
Non-current liabilities			
Bank borrowings	12	68,831	-
Lease liability	13	13,258	-
Total non-current liabilities		<u>82,089</u>	<u>-</u>
Current liabilities:			
Bank borrowings	12	265,239	-
Lease liability	13	30,664	-
Trade and other payables	14	2,223,144	160,368
Amount due to related parties	8	1,284,962	1,662,412
Tax payables		-	3,174
Total current liabilities		<u>3,804,009</u>	<u>1,825,954</u>
Total liabilities		<u>3,886,098</u>	<u>1,825,954</u>
TOTAL EQUITY AND LIABILITIES		<u>4,607,133</u>	<u>2,454,320</u>

The accompanying notes form an integral part of these financial statements

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.:201118638H)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 US\$	2023 US\$
Revenue	15	6,718,950	6,049,299
Cost of service		(5,860,729)	(5,385,452)
Gross profit		858,221	663,847
Other income	16	18,993	4,490
Administrative expenses		(782,950)	(568,712)
Finance costs	18	(4,839)	(2,175)
Profit before income tax	19	89,425	97,450
Income tax credit	21	3,244	-
Profit for the year, representing total comprehensive income for the year		92,669	97,450

The accompanying notes form an integral part of these financial statements

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.:201118638H)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital US\$	Retained earnings US\$	Total US\$
Balance at 1 April 2022	400,080	130,836	530,916
Profit for the year, representing total comprehensive income for the year	-	97,450	97,450
Balance at 31 March 2023	400,080	228,286	628,366
Balance at 1 April 2023	400,080	228,286	628,366
Profit for the year, representing total comprehensive income for the year	-	92,669	92,669
Balance at 31 March 2024	400,080	320,955	721,035

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 US\$	2023 US\$
Cash flow from operating activities			
Profit before income tax		89,425	97,450
<i>Adjustments for:</i>			
Depreciation of plant and equipment	4	102,047	102,369
Depreciation on right-of-use assets	5	17,893	-
Interest expenses	18	4,839	2,175
		214,204	201,994
Changes in working capital:			
Trade and other receivables		(1,431,498)	400,876
Trade and other payables		2,062,776	(143,494)
Cash generated from operations		845,482	459,376
Income tax paid		70	(7,037)
Net cash generated from operating activities		845,552	452,339
Cash flow from investing activities			
Purchases of plant and equipment		-	(1,550)
Net cash used in investing activities		-	(1,550)
Cash flow from financing activities			
Repayment of borrowings	A	(6,283)	(59,152)
Drawdown of bank borrowing	A	340,353	-
Repayment of principal portion of lease liabilities	A	(17,427)	-
Interest paid	A	(4,839)	(2,175)
Amount due from related parties		(582,499)	(167,384)
Amount due from holding company		102,108	(7,323)
Amount due to related parties		(377,450)	(31,960)
Amount due from director		(26,713)	(78,791)
Net cash used in financing activities		(572,750)	(346,785)
Net decrease in cash and cash equivalents		272,802	104,004
Cash and cash equivalents at 1 April		240,599	136,595
Cash and cash equivalents at 31 March	10	513,401	240,599

Note A: Reconciliation of liabilities arising from financing activities

	1 April 2023 US\$	Financing cash flows US\$	Non-cash changes		31 March 2024 US\$
			New lease/ Proceeds US\$	Accretion of interest US\$	
Bank borrowings	-	(9,743)	340,353	3,460	334,070
Lease liabilities	-	(18,806)	61,349	1,379	43,922

	1 April 2022 US\$	Financing cash flows US\$	Non-cash changes		31 March 2023 US\$
			New lease/ Proceeds US\$	Accretion of interest US\$	
Bank borrowings	59,152	(61,327)	-	2,175	-

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

1. GENERAL

WOG Technologies Pte. Ltd. ("the Company") is incorporated and domiciled in Singapore with its registered office address at No. 60 Paya Lebar Road, #04-53, Paya Lebar Square, Singapore 409051.

The principal activities of the Companies are those of manufacture and repair of water or waste water treatment equipment. There have been no significant changes in the nature of these activities during the financial year.

The ultimate and immediate holding company is W.O.G Technologies Holding Pte. Ltd., which is incorporated in Singapore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The financial statements are presented in United States Dollars (US\$), which is the Company's functional currency. All financial information presented in United States Dollars, unless otherwise indicated.

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

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Amendment to FRS109: <i>Financial Instruments</i> and FRS107 <i>Financial Instruments: Disclosures</i> : Amendment to the Classification and Measurement of Financial Instruments	1 January 2026
Annual improvement to FRSs Volume 11	1 January 2026
FRS118 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE - CONTINUED

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS119 <i>Subsidiaries without Public Accountability: Disclosures</i> Amendment to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2027 Date to be determined

2.4 FUNCTIONAL CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

2.5 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.5 FINANCIAL INSTRUMENTS – CONTINUED

(a) Financial assets - continued

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

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

Derecognition

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

(b) Financial liabilities -

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.6 IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

2.8 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 plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.8 PLANT AND EQUIPMENT – CONTINUED

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Plant and machinery	10 years
Office equipment	3 years
Computer	3 years
Furniture and fittings	3 years
Office renovations	3 years

The residual values, useful lives 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 on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

Impairment losses are recognised in profit or loss.

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

2.10 LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.10 LEASES - Continued

Right-of-use assets

The Company recognizes 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in 2.9.

Lease liabilities

At the commencement date of the lease, the Company recognizes leases 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 receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease. If the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities is remeasured if there is 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 assets.

Short-term leases and leases of low-value assets

The Company applies the short-term leases recognition exemption to its short-term leases of machinery and office (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 recognized as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.11 PROVISIONS

General

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

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

2.12 SHARE CAPITAL

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

2.13 REVENUE RECOGNITION

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

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Sales of goods

The Company involves in repairing of water and wastewater treatment equipment and building constructions.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume rebates based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.14 GOVERNMENT GRANTS

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.15 EMPLOYEE BENEFITS

(a) Defined contribution plans

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

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(c) Key management personnel

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

2.16 RELATED PARTIES

Related parties are entities with common direct or indirect shareholders and or directors or management. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision. They include individual persons.

Many/some of the Company's transactions and arrangements are between members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are without fixed repayment terms and interest unless stated otherwise.

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (i) Has significant influence over the Company; or
 - (ii) Is a member of the key management personnel of the Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.16 RELATED PARTIES – CONTINUED

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (i) 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).
- (ii) Both entities are joint venture of the same third party.
- (iii) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
- (iv) 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.
- (v) The entity is controlled or jointly controlled by a person identified in (a);
- (vi) 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).
- (vii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.17 BORROWINGS

Current/Non-current classification of borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date. When an entity breaches an undertaking under a long-term loan agreement on or before the reporting date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the reporting date, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date.

Where the entity expects, and has the discretion, to re-finance or roll over an obligation for at least 12 months, after the reporting period under an existing loan facility with the same tender.

2.18 BORROWING COSTS

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss in the period in which they are incurred.

2.19 TAXES

(a) Current income tax

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.19 TAXES -CONTINUED

(a) Current income tax - Continued

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

(b) Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

(b) Goods and Services Tax (GST)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reports amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although the estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

(a) Judgements made in applying accounting policies

(i) Determination of functional currency

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

(ii) Determination of lease term of contracts with extension options

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

The Company does not have lease contract that include exercise options.

(b) Key sources of estimation uncertainty

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

(i) Estimated useful lives of plant and equipment

Plant and equipment are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these plant and equipment to be for 3 to 10 years. As at 31 March 2024, the carrying value amount of the plant and equipment amounted to US\$ 352,814 (2023: US\$454,861). The Company assesses annually the residual values and the useful lives of the plant and equipment and if expectation differs from the original estimates due to changes in the expected level of usage and/or technological developments, such as differences will impact the depreciation changes in the period in which such estimates are changed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - CONTINUED

(b) Key sources of estimation uncertainty - continued

(ii) Leases – estimating the incremental borrowing rate

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

(iii) Provision for expected credit losses of trade receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 23(a).

The carrying amount of the Company's trade receivables as at 31 March 2024 was US\$2,237,375 (2023: US\$ 822,158).

(iv) Provision for income taxes

The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes 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 positions in the year in which such determination is made. The carrying amounts of the Company's income tax payable as at 31 March 2024 were US\$ Nil (2023: US\$3,174) respectively.

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.: 201118638H)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

4. PLANT AND EQUIPMENT

	Plant and machinery US\$	Office equipment US\$	Computer US\$	Furniture and fittings US\$	Office renovations US\$	Total US\$
<u>Cost</u>						
At 1 April 2022	1,003,412	8,498	70,654	10,752	43,922	1,137,238
Additions	-	1,550	-	-	-	1,550
At 31 March 2023/ At 31 March 2024	1,003,412	10,048	70,654	10,752	43,922	1,138,788
<u>Accumulated depreciation</u>						
At 1 April 2022	451,535	8,410	66,939	10,752	43,922	581,558
Depreciation	100,341	517	1,511	-	-	102,369
At 31 March 2023	551,876	8,927	68,450	10,752	43,922	683,927
Depreciation	100,342	603	1,102	-	-	102,047
At 31 March 2024	652,218	9,530	69,552	10,752	43,922	785,974
<u>Carrying amount</u>						
At 31 March 2023	451,536	1,121	2,204	-	-	454,861
At 31 March 2024	351,194	518	1,102	-	-	352,814

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.: 201118638H)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. RIGHT-OF-USE ASSETS

	Office US\$	Total US\$
Cost:		
At 1 April 2022/ At 31 March 2023	-	-
Additions	61,349	
At 31 March 2024	61,349	
Accumulated depreciation:		
At 1 April 2022/ At 31 March 2023	-	-
Depreciation	17,893	
At 31 March 2024	17,893	
Carrying amount:		
At 31 March 2023	-	-
At 31 March 2024	43,456	

6. TRADE AND OTHER RECEIVABLES

	2024 US\$	2023 US\$
Trade receivables:		
- third parties	2,237,375	822,158
Deposit	13,379	3,758
Amount due from an employee	12,494	12,494
Advance payment to supplier	61,272	61,272
GST receivables	1,373	4,182
Amount due from director	97,416	70,703
Other receivables	290,775	290,775
Corporate tax receivables	9,469	-
	486,178	443,184
	2,723,553	1,265,342

Trade receivables are unsecured, non-interest bearing and are generally settled on 30 to 90 (2023: 30 to 90) days' term.

Amount due from an employee and amount due from director are non-trade in nature, unsecured, interest free and repayable on demand.

The carrying amounts of trade and other receivables approximate their fair values.

7. AMOUNT DUE FROM RELATED PARTIES

	2024 US\$	2023 US\$
<u>Amount due from related parties</u>		
Trade	835,404	271,488
Non-trade	138,209	119,626
	973,613	391,114

Amount due from related parties is unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

8. AMOUNT DUE TO RELATED PARTIES

	2024	2023
	US\$	US\$
<u>Amount due to related parties</u>		
Non-trade	1,284,962	1,662,412
	<u>1,284,962</u>	<u>1,662,412</u>

Amount due to related parties is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

9. AMOUNT DUE FROM HOLDING COMPANY

Amount due from holding company is non-trade, unsecured, non-interest bearing and repayable on demand.

10. CASH AND CASH EQUIVALENTS

	2024	2023
	US\$	US\$
Fixed deposits	450,000	-
Cash at banks	63,401	240,599
	<u>513,401</u>	<u>240,599</u>

Fixed deposits earn interest rate at 4.61% (2023: Nil) per annum and are for a tenure of approximately 31 to 33 days for the financial year ended 31 March 2024.

The carrying amounts of cash and cash equivalents approximate their fair values.

11. SHARE CAPITAL

	2024		2023	
	No. of	US\$	No. of	US\$
	shares		shares	
Issued and fully paid ordinary shares				
At 1 April and 31 March	<u>50,100</u>	<u>400,080</u>	<u>50,100</u>	<u>400,080</u>

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

12. BANK BORROWINGS

	2024	2023
	US\$	US\$
Non-current:		
- Term loan	68,831	-
Current:		
- Term loan	8,343	-
- Letter of credit	114,670	-
- Trade facilities	142,256	-
	<u>265,239</u>	<u>-</u>
	<u>334,070</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. BANK BORROWINGS - CONTINUED

The bank loan is arranged under 10-years working capital loan and bears interest at 1.3% per annum above 1 month Singapore cost of funds on monthly rests. The loan is secured by joint and several personal guarantee of the directors and corporate guarantee by the holding company.

13. LEASE LIABILITY

	2024 US\$	2023 US\$
<u>Non-current</u>		
Lease liability (secured)	13,258	-
<u>Current</u>		
Lease liability (secured)	30,664	-
	<u>43,922</u>	<u>-</u>

14. TRADE AND OTHER PAYABLES

	2024 US\$	2023 US\$
Trade payables - third parties	2,149,467	109,387
Accrued operating expenses	73,677	50,981
	<u>2,223,144</u>	<u>160,368</u>

Trade payables are unsecured, non-interest bearing and are normally settled on 30 to 60 (2023: 30 to 60) days' term.

The carrying amounts of trade and other payables approximate their fair values.

15. REVENUE

	2024 US\$	2023 US\$
Sales of goods – point in time	<u>6,718,950</u>	<u>6,049,299</u>

16. OTHER INCOME

	2024 US\$	2023 US\$
Bank interest income	15,957	7
Miscellaneous income	3,036	4,483
	<u>18,993</u>	<u>4,490</u>

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.: 201118638H)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. EMPLOYEE BENEFITS EXPENSES

	2024 US\$	2023 US\$
Director's remuneration	99,476	97,745
Staff salaries	160,300	120,326
	<u>259,776</u>	<u>218,071</u>

18. FINANCE COSTS

	2024 US\$	2023 US\$
Interest expense on bank borrowing	3,460	2,175
Interest expenses on lease liability	1,379	-
	<u>4,839</u>	<u>2,175</u>

19. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2024 US\$	2023 US\$
Accommodation	42,540	-
Depreciation on plant and equipment (Note 4)	102,047	102,369
Depreciation on right-of-use assets (Note 5)	7,893	-
Employee benefits expenses (Note 17)	259,776	218,071
Insurance	123,619	2,762
Interest expenses on lease liability (Note 18)	1,379	-
Marketing and business development expenses	<u>40,318</u>	<u>79,142</u>

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

Sale and purchase of goods and services

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

	2024 US\$	2023 US\$
Sales to related parties	1,065,000	132,200
Purchases from related parties	<u>2,962,462</u>	<u>3,663,111</u>

Compensation of key management personnel

	2024 US\$	2023 US\$
Director's remuneration	<u>99,476</u>	<u>97,745</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

21. INCOME TAX CREDIT

The major components of income tax credit recognised in profit for the years ended 31 March 2023 and 2024 were:

	2024 US\$	2023 US\$
Current income tax		
- Overprovision in prior year	(3,244)	-

Relationship between tax expense and accounting profit

A reconciliation between tax credit and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2023 and 2024 were as follows:

	2024 US\$	2023 US\$
Profit before income tax	89,425	97,450
Tax at the statutory tax rate of 17% (2023: 17%)	15,202	16,567
Adjustments:		
Non-deductible expenses	187	17,403
Utilisation of deferred tax assets not recognized in prior year	(15,389)	(33,970)
Overprovision of income tax in respect of prior year	(3,244)	-
Income tax credit recognised in profit or loss	(3,244)	-

22. LEASES

Company as a lessee

The Company has lease contract for photocopier. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use assets

Carrying amounts of right-of-use asset classified is disclosed in Note 5.

(b) Lease liability

The carrying amounts of lease liability during the year are disclosed in Note 13 and the maturity analysis of lease liability is disclosed in Note 23(b).

(c) Amounts recognised in profit or loss

	2024 US\$	2023 US\$
Depreciation of right-of-use assets (Note 5)	17,893	-
Interest expense on lease liability (Note 18)	1,379	-
Total amount recognised in profit or loss	19,272	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22. LEASES - CONTINUED

(d) Total cash outflow

The Company had total cash outflows for lease of US\$18,806 in year 2024.

23. FINANCIAL RISK MANAGEMENT

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

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

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

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

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- There is a disappearance of an active market for that financial asset because of financial difficulty;

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 March 2024						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	2,237,375	-	2,237,375
Other receivables	6	I	12-months ECL	414,064	-	414,064
					-	-
					-	-
	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 March 2023						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	822,158	-	822,158
Other receivables	6	I	12-months ECL	377,730	-	377,730
					-	-
					-	-

Trade receivables (Note 1)

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

	Trade receivables (Days past due)				
	Not past due	≤30 days	31-60 days	>60 days	Total
	US\$	US\$	US\$	US\$	US\$
31 March 2024					
ECL rate	-	-	-	-	-
Estimated total gross carrying amount at default	2,132,783	-	-	104,592	2,237,375
Lifetime ECL	-	-	-	-	-
Total	2,132,783	-	-	104,592	2,237,375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23. FINANCIAL RISK MANAGEMENT - CONTINUED

(a) Credit risk - continued

	Trade receivables (Days past due)				Total US\$
	Not past due US\$	≤30 days US\$	31-60 days US\$	>60 days US\$	
31 March 2023					
ECL rate	-	-	-	-	-
Estimated total gross carrying amount at default	555,432	207,250	59,476	-	822,158
Lifetime ECL	-	-	-	-	-
Total	555,432	207,250	59,476	-	822,158

Excessive risk concentration

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

Exposure to credit risk

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

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount US\$	Contractual cash flows US\$	One year or less US\$	Two to five years US\$	More five years US\$
2024					
Financial assets					
Trade and other receivables ⁽ⁱ⁾	2,651,439	2,651,439	2,651,439	-	-
Amount due from related parties	973,613	973,613	973,613	-	-
Amount due from holding company	296	296	296	-	-
Cash and cash equivalents	513,401	513,401	513,401	-	-
Total undiscounted financial assets	4,138,749	4,138,749	4,138,749	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. FINANCIAL RISK MANAGEMENT – CONTINUED

(b) Liquidity risk - continued

	Carrying amount US\$	Contractual cash flows US\$	One year or less US\$	Two to five years US\$	More five years US\$
Financial liabilities					
Bank borrowings	334,070	415,825	279,294	76,946	59,585
Lease liability	43,922	45,672	32,239	13,433	-
Trade and other payables	2,223,144	2,223,144	2,223,144	-	-
Amount due to related parties	1,284,962	1,284,962	1,284,962	-	-
Total undiscounted financial liabilities	3,886,098	3,969,603	3,819,639	90,379	59,585
Total net undiscounted financial assets	252,651	169,146	319,110	(90,379)	(59,585)
			Carrying amount US\$	Contractual cash flows US\$	One year or less US\$
2023					
Financial assets					
Trade and other receivables ⁽ⁱ⁾			1,199,888	1,199,888	1,199,888
Amount due from related parties			391,114	391,114	391,114
Amount due from holding company			102,404	102,404	102,404
Cash and cash equivalents			240,599	240,599	240,599
Total undiscounted financial assets			1,934,005	1,934,005	1,934,005
Financial liabilities					
Trade and other payables			160,370	160,370	160,370
Amount due to related parties			1,662,412	1,662,412	1,662,412
Total undiscounted financial liabilities			1,822,782	1,822,782	1,822,782
Total net undiscounted financial assets			111,223	111,223	111,223

(i) The trade and other receivables in this note have excluded advance payment to supplier, GST receivables and corporate tax receivables.

(c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash at bank and Bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23. FINANCIAL RISK MANAGEMENT – CONTINUED

(c) Market risk - continued

(i) Interest rate risk

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

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

	2024 US\$	2023 US\$
Fixed rate instruments		
<u>Financial assets:</u>		
Cash and cash equivalents	513,401	240,599
<u>Financial liabilities :-</u>		
Bank borrowings	334,070	-

(ii) Foreign currency risk

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

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar (SGD), Saudi Riyal (SAR) and Euro (EUR).

The Company's currency exposures to the SGD, SAR and EUR at the reporting date were as follows:

2024	SGD US\$	SAR US\$	EUR US\$
Financial assets			
Trade and other receivables	121,637	-	-
Cash and cash equivalents	20,849	-	-
Total undiscounted financial assets	142,486	-	-
Financial liabilities			
Bank borrowings	77,174	-	-
Lease liability	43,922	-	-
Trade and other payables	15,462	44,733	5,237
Total undiscounted financial liabilities	136,558	44,733	5,237
Total net undiscounted financial assets/(liabilities)	5,928	(44,733)	(5,237)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23. FINANCIAL RISK MANAGEMENT – CONTINUED

(c) Market risk - continued

(ii) Foreign currency risk – continued

2023	SGD US\$	SAR US\$	EUR US\$
Financial assets			
Trade and other receivables	78,643		
Cash and cash equivalents	89,311		
Total undiscounted financial assets	167,954		
Financial liabilities			
Trade and other payables	59,373	73,047	5,236
Total undiscounted financial liabilities	59,373	73,047	5,236
Total net undiscounted financial assets/(liabilities)	108,581	(73,047)	(5,236)

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

	Profit (after tax)	
	2024 US\$	2023 US\$
Singapore Dollar	492	9,012
Saudi Riyal	(3,713)	(6,063)
Euro	(435)	(435)

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

24. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

24. FAIR VALUES - CONTINUED

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Bank borrowings

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

25. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2024	2023
	US\$	US\$
Financial assets measured at amortised cost		
Trade and other receivables (Note 6) ⁽ⁱ⁾	2,651,439	1,199,888
Amount due from related parties (Note 7)	973,613	391,114
Amount due from holding company (Note 9)	296	102,404
Cash and cash equivalents (Note 10)	513,401	240,599
Total financial assets measured at amortised cost	<u>4,138,749</u>	<u>1,934,005</u>
Financial liabilities measured at amortised cost		
Bank borrowings (Note 12)	334,070	-
Lease liability (Note 13)	43,922	-
Trade and other payables (Note 14)	2,223,144	160,370
Amount due to related parties (Note 8)	1,284,962	1,662,412
Total financial liabilities measured at amortised cost	<u>3,886,098</u>	<u>1,822,782</u>

⁽ⁱ⁾ The trade and other receivables in this note have excluded advance payment to supplier, GST receivables and corporate tax receivables.

26. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and new current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises debt and Head Office account.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2024 and 31 March 2023.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2023.

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.: 201118638H)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2024 were authorized for issue in accordance with a resolutions of the Board of Directors of the Company on date of the directors' statement.

WOG TECHNOLOGIES PTE. LTD.
(Company Registration No.: 201118638H)

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

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.:201118638H)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Appendix A

	2024	2023
	US\$	US\$
Revenue	6,718,950	6,049,299
Less: Cost of sales		
Purchases	5,047,436	4,170,220
Direct expenses	813,293	1,215,232
	(5,860,729)	(5,385,452)
Gross profit	858,221	663,847
Other income		
Bank interest income	15,957	7
Miscellaneous income	3,036	4,483
	18,993	4,490
Less:		
Administrative expenses (Appendix B & C)	782,950	568,712
Finance costs (Appendix C)	4,839	2,175
	(787,789)	(570,887)
Profit before income tax	89,425	97,450

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.:201118638H)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Appendix B

	2024	2023
	US\$	US\$
<u>Administrative expenses</u>		
Bank charges	23,585	22,432
Accommodation	42,540	-
Advertising Expenses	2,754	-
Commission	14,797	-
Consultancy fees	54,065	6,514
Depreciation on plant and equipment	102,047	102,369
Depreciation on right-of-use assets	17,893	-
Entertainment	92	-
Exchange losses	14,978	(1,433)
Exhibition expenses	6,656	6,553
Fines and penalties	1,098	1,041
Insurance	123,619	2,762
Late payment charges	7	123
Licence fee	6,727	7,278
Marketing and business development expenses	40,318	79,142
Membership subscription fee	378	605
Telephone and internet expenses	4,066	4,066
Office cleaning expenses	1,250	806
Office expense	1,058	2,745
Office rental	10,515	23,742
Postage and courier fee	349	27
Printing and stationery	1,607	1,353
Lgeal fee	22,375	11,009
Professional fees	2,008	(2,001)
Stamp duty	644	-
Rental - Storage Singapore	3,022	2,786
Repair and maintenance	223	432
Retainer fee	8,484	7,353
Transportation expenses	15,450	32,317
Utilities	569	821
Delivery charges	-	267
House expense	-	96
Lodging expenses	-	37,274
Medical claims	-	162
Balance carried forward	(523,174)	(350,641)

WOG TECHNOLOGIES PTE. LTD.
(Company Reg. No.:201118638H)

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Appendix C

	2024	2023
	US\$	US\$
Balance brought forward	523,174	350,641
<u>Staffs cost and related expenses</u>		
Director's remuneration	99,476	97,745
Staff salaries	160,300	120,326
	<u>(782,950)</u>	<u>(568,712)</u>
<u>Finance costs</u>		
Bank loan interest	3,460	2,175
Interest expenses on lease liability	1,379	-
	<u>(4,839)</u>	<u>(2,175)</u>

