

SH TECH PTE. LTD.

Company Registration Number: 202137623G

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023

CONTENTS

PAGE

Directors' Statement	1 - 2
Independent Auditor's Report	3 - 5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9 – 10
Notes to the Financial Statements	11 – 30

SH TECH PTE. LTD.

Company Registration No.: 202137623G

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their statement to the member together with the audited financial statements of SH Tech Pte. Ltd. (the "Company") for the financial year ended 31 December 2023.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 December 2023; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company with the continuing financial support from its ultimate beneficial owner 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:

Chernushchenko Maxim
Loh Hwee Hua

(Appointed on 25 April 2023)

3 ARRANGEMENTS TO ENABLE DIRECTORS 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 directors of the Company to acquire benefits by means of the acquisition of shares and debentures of the Company or any other body corporate.

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5 SHARE OPTIONS

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

No shares have been 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.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

6 AUDITORS

Helmi Talib LLP has expressed its willingness to accept re-appointment as auditors.

The Board of Directors

DocuSigned by:



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CHERNUSHCHENKO MAXIM
Director

Signed by:



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LOH HWEE HUA
Director

Date: 31 December 2024



Helmi Talib LLP

Chartered Accountants of Singapore
Registration Number: T20LL1986E

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SH TECH PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SH Tech Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the financial statements which indicates that the Company incurred a net loss of USD4,134,572 during the financial year ended to 31 December 2023 and as that date, the Company's total liabilities exceeded its total assets by USD6,444,103. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The ability of the Company to continue as a going concern is dependent on the undertaking of the ultimate beneficial owner, to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

Helmi Talib LLP

Other Information (Continued)

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

Responsibilities of Management and Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Helmi Talib LLP

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: (Continued)

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Signed by:

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HELMI TALIB LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 31 December 2024

Partner-in-charge : Suriyati binti Mohamed Yusof
PA No. : 01627

SH TECH PTE. LTD.

Company Registration No.: 202137623G

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	1 January 2023 to 31 December 2023	28 October 2021 31 December 2022
		USD	USD
Revenue	5	2,482,567	916,415
Direct cost		<u>(2,404,523)</u>	<u>(860,931)</u>
Gross profit		78,044	55,484
Other income	6	3,858	-
Administrative expenses		(3,983,799)	(2,211,373)
Finance costs	7	<u>(232,675)</u>	<u>(154,013)</u>
Loss before taxation	8	(4,134,572)	(2,309,902)
Income tax expense	9(a)	<u>-</u>	<u>-</u>
Loss for the financial year/period, representing total comprehensive loss for the financial year/period		<u>(4,134,572)</u>	<u>(2,309,902)</u>

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

SH TECH PTE. LTD.

Company Registration No.: 202137623G

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	<u>31 December 2023</u> USD	<u>31 December 2022</u> USD
Assets			
Current assets			
Cash and cash equivalents	10	638,388	390,504
Other receivable	11	3,755	-
Loans receivables	12	564,164	525,529
Total current assets		<u>1,206,307</u>	<u>916,033</u>
Non-current assets			
Loans receivables	12	26,250	25,000
Plant and equipment	13	767	-
Total non-current assets		<u>27,017</u>	<u>25,000</u>
Total assets		<u>1,233,324</u>	<u>941,033</u>
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	14	508,713	41,399
Income tax payable	9(c)	-	-
Total current liabilities		<u>508,713</u>	<u>41,399</u>
Non-current liabilities			
Loans and borrowings	15	7,168,714	3,209,165
Total non-current liabilities		<u>7,168,714</u>	<u>3,209,165</u>
Total liabilities		<u>7,677,427</u>	<u>3,250,564</u>
Equity			
Share capital	16	371	371
Accumulated losses		(6,444,474)	(2,309,902)
Total equity		<u>(6,444,103)</u>	<u>(2,309,531)</u>
Total liabilities and equity		<u>1,233,324</u>	<u>941,033</u>

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

SH TECH PTE. LTD.

Company Registration No.: 202137623G

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	<u>1 January 2023 to 31 December 2023</u>		
	<u>Share capital</u> USD	<u>Accumulated losses</u> USD	<u>Total</u> USD
Balance at beginning of financial year	371	(2,309,902)	(2,309,531)
Comprehensive loss			
Loss for the financial year, representing total comprehensive loss for the financial year	-	(4,134,572)	(4,134,572)
Balance at end of financial year	<u>371</u>	<u>(6,444,474)</u>	<u>(6,444,103)</u>

	<u>28 October 2021 to 31 December 2022</u>		
	<u>Share capital</u> USD	<u>Accumulated losses</u> USD	<u>Total</u> USD
Balance at date of incorporation	371	-	371
Comprehensive loss			
Loss for the financial period, representing total comprehensive loss for the financial period	-	(2,309,902)	(2,309,902)
Balance at end of financial period	<u>371</u>	<u>(2,309,902)</u>	<u>(2,309,531)</u>

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

SH TECH PTE. LTD.

Company Registration No.: 202137623G

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

		1 January 2023 to 31 December 2023	28 October 2021 to 31 December 2022
	Note	USD	USD
Cash flows generated from operating activities			
Loss before taxation		(4,134,572)	(2,309,902)
Adjustments for			
Provision for expected credit losses	12	3,223,321	1,946,393
Interest expense	7	232,675	154,013
Unrealised exchange differences		127,037	27,010
Reversal of allowance for expected credit losses	12	(1,308,400)	-
Interest income	6	(3,858)	-
Depreciation on plant and equipment	13	295	-
Total adjustments to profit or loss		<u>2,271,070</u>	<u>2,127,416</u>
Total operating cash flows before changes in working capital		(1,863,502)	(182,486)
Changes in working capital			
Increase in restricted cash		(242,016)	(366,629)
Decrease in other receivable		103	-
Increase in trade and other payables		450,374	44,152
Total changes in working capital		<u>208,461</u>	<u>(322,477)</u>
Net cash flows used in operating activities		<u>(1,655,041)</u>	<u>(504,963)</u>
Cash flows from investing activities			
Loans provided to related company and outside parties		(1,978,432)	(2,496,922)
Acquisition of plant and equipment	13	(1,062)	-
Net cash flows used in investing activities		<u>(1,979,494)</u>	<u>(2,496,922)</u>
Cash flows from financing activities			
Loans availed from ultimate beneficial owner		3,428,490	-
Loans availed from outside parties		330,541	-
Loans availed from holding company		-	3,055,152
Proceeds from issuance of ordinary shares		-	371
Net cash flows generated from financing activities		<u>3,759,031</u>	<u>3,055,523</u>

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

SH TECH PTE. LTD.

Company Registration No.: 202137623G

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	1 January 2023 to 31 December 2023	28 October 2021 to 31 December 2022
Note	USD	USD
Net increase in cash and cash equivalents	124,496	53,638
Effect of exchange rate changes on balance of cash held in foreign currencies	(118,628)	(29,763)
Cash and cash equivalents at beginning of financial year/period	<u>23,875</u>	<u>-</u>
Cash and cash equivalents at end of financial year/period	<u>10 29,743</u>	<u>23,875</u>
Cash and cash equivalents is different from statement of financial position		
Cash and cash equivalents	459,064	390,504
Restricted cash	<u>(429,321)</u>	<u>(366,629)</u>
Total cash and cash equivalents per statement of cash flows	<u>29,743</u>	<u>23,875</u>
Net cash flows		
Net cash flows used in operating activities	<u>(1,655,041)</u>	<u>(504,963)</u>
Net cash flows used in investing activities	<u>(1,979,494)</u>	<u>(2,496,922)</u>
Net cash flows generated from financing activities	<u>3,759,031</u>	<u>3,055,523</u>

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

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1 GENERAL

SH Tech Pte. Ltd. (the “Company”) is incorporated and domiciled in Singapore with its registered address and principal place of business at 50 South Bridge Road, #03-00 CMO Building, Singapore 058682.

The principal activities of the Company are information technology, computer service activities and management consultancy services.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution as at the date of Directors’ Statement.

2 MATERIAL ACCOUNTING POLICY INFORMATION**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements are prepared under the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar (“USD” or “\$”), the Company’s functional currency.

Going Concern

The Company incurred a net loss of USD4,134,572 during the financial year ended 31 December 2023 (2022: USD2,309,902). As of that date, the Company’s total liabilities exceeded its total assets by USD6,444,103 (2022: USD2,309,531). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements are prepared on a going concern basis as the ultimate beneficial owner has undertaken to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due. The financial statements do not include any adjustments that would result if the Company was unable to continue 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 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**2.3 Standards issued but not yet effective**

The Company has not adopted the following relevant standards and interpretations that have been issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 <i>Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures</i> : Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025

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

2.4 Functional and foreign currency**(a) *Functional currency***

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be USD. Revenue and major costs of providing services including major operating expenses are primarily influenced by fluctuations in USD.

(b) *Foreign currency*

Transactions in foreign currencies are measured in the respective 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 end of the reporting period. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates as at dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value was determined.

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

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SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**2.5 Financial instruments****(a) Financial assets****Initial recognition and measurement**

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

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

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

Subsequent measurement***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 de-recognised 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 fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**2.5 Financial instruments (Continued)****(b) Financial liabilities (Continued)****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.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks, on hand and held by third party which are subject to an insignificant risk of changes in value. Cash and cash equivalents carried in the statement of financial position is classified and accounted for as financial asset at amortised cost under FRS 109.

2.7 Impairment of financial assets

The Company 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 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.

The Company considers a financial asset in default when contractual payments are 90 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.

2.8 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.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**2.8 Plant and equipment (Continued)**

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful life. The estimated useful life is as follows:

	Useful life
Computer equipment	3 years

The residual value, 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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in profit or loss whenever the carrying amount of an asset or its cash generating unit exceeds its 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 Share capital*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event where it is probable that it will result in an outflow of economic benefits 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 resources embodying economic benefits 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.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**2.12 Revenue recognition**

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

(a) *Fee income*

Fee income includes among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement.

Fee income is recognised at the point in time when the service is rendered to the customer. The Company considers there are no other promises in the contract that are separate performance obligations to which a portion of the transaction price need to be allocated.

(b) *Late payment charges*

Late payment charges is recognised on an accrual basis when the event happened.

(c) *Interest income*

Interest income is recognised in profit or loss for all interest bearing instruments on an accrual basis using the effective interest method.

2.13 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.14 Taxes**(a) *Current income tax***

Current income tax 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 by the end of the reporting period.

Current income taxes are recognised in profit or loss except that tax relating 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 end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, 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.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)2.14 Taxes (Continued)*(b) Deferred tax (Continued)*

The carrying amount of deferred tax asset 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 utilised.

Deferred tax assets and liabilities are measured at 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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition.

(c) 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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4 HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The Company's holding company is Fingular Pte. Ltd. The related party transactions are between the Company, its holding company, ultimate beneficial owner and related company. The effects of these transactions are reflected in these financial statements on the basis determined between the parties. The related party balances are unsecured, interest-free and are repayable on demand unless otherwise stated.

	1 January 2023 to 31 December 2023	28 October 2021 to 31 December 2022
	USD	USD
<i><u>Holding company, Fingular Pte. Ltd.</u></i>		
Loans availed during the financial year/period	-	(3,055,152)
Interest expense	150,255	154,013
Offsetting arrangements	<u>23,408</u>	<u>-</u>
<i><u>Ultimate beneficial owner</u></i>		
Loans availed during the financial year/period	3,428,490	-
Interest expense	<u>73,889</u>	<u>-</u>
<i><u>Related company</u></i>		
Loans provided during the financial year/period	<u>1,250</u>	<u>25,000</u>

5 REVENUE

	1 January 2023 to 31 December 2023	28 October 2021 to 31 December 2022
	USD	USD
<i><u>Type of services</u></i>		
Disbursement fee	984,261	625,918
E-doctor fee	587,291	-
Insurance fee	580,006	-
Interest income	169,223	263,394
Prolongation fee	116,744	6,777
Late payment fee	<u>45,042</u>	<u>20,326</u>
	<u>2,482,567</u>	<u>916,415</u>
<i><u>Timing of rendering of service</u></i>		
- At a point in time	<u>2,482,567</u>	<u>916,415</u>

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SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

6 OTHER INCOME

	<u>1 January 2023 to 31 December 2023</u> USD	<u>28 October 2021 to 31 December 2022</u> USD
Interest income	3,858	-

7 FINANCE COST

	<u>1 January 2023 to 31 December 2023</u> USD	<u>28 October 2021 to 31 December 2022</u> USD
Interest expense on loans and borrowings	232,675	154,013

8 LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	<u>1 January 2023 to 31 December 2023</u> USD	<u>28 October 2021 to 31 December 2022</u> USD
Provision for expected credit losses	3,223,321	1,946,393
Consultants fee	2,328,325	575,609
Subscription fees	176,515	10,223
Advisors and nominees fees	149,380	54,861
Travel expenses	134,698	137,707
Foreign exchange loss	100,491	6,463
Partnership fees	45,000	143,543
Depreciation of plant and equipment	295	-
Partner milestone fee	-	62,599

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SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9 INCOME TAX*(a) Major components of income tax expense*

The major components of income tax expense for the financial years ended 31 December 2023 and 2022 are:

	<u>1 January 2023 to 31 December 2023</u> USD	<u>28 October 2021 to 31 December 2022</u> USD
Current income tax provision	-	-

(b) Relationship between income tax expense and accounting loss

A relationship between income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 is as follows:

	<u>1 January 2023 to 31 December 2023</u> USD	<u>28 October 2021 to 31 December 2022</u> USD
Loss before taxation	(4,134,572)	(2,309,902)
Tax calculated at a tax rate of 17%	(702,877)	(392,683)
Movement in deferred tax asset not recognised	702,877	392,683
	-	-

(c) Income tax payable

As at 31 December 2023, the Company has no income tax payable (2022: Nil).

10 CASH AND CASH EQUIVALENTS

	<u>31 December 2023</u> USD	<u>31 December 2022</u> USD
Cash at banks	638,388	368,196
Cash held by third party	-	21,937
Cash on hand	-	371
Total Cash and cash equivalents	638,388	390,504
Add: Loans receivables (Note 12)	590,414	550,529
Total financial assets carried at amortised cost	1,228,802	941,033

Cash at banks are held in non-interest bearing accounts.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10 CASH AND CASH EQUIVALENTS (Continued)

Included in cash at banks of the Company amounting to USD638,388 (2022: USD368,196) are restricted cash balances amounting to USD608,645 (2022: USD366,629) which comprise cash balances on bank accounts set up for the purpose of loan issuance.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprised of the following balances:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Cash at banks	638,388	368,196
Cash held by third party	-	21,937
Cash on hand	-	371
Less: Restricted cash	(608,645)	(366,629)
	<u>29,743</u>	<u>23,875</u>

Cash and cash equivalents are denominated in the following currencies:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Indonesian Rupiah	608,645	366,636
Euro	29,203	-
Singapore Dollar	539	23,497
United States Dollar	1	371
	<u>638,388</u>	<u>390,504</u>

11 OTHER RECEIVABLE

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Prepayments	<u>3,755</u>	<u>-</u>

Other receivable is denominated in Euro.

12 LOANS RECEIVABLES

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Non-current		
Loans to a related company	<u>26,250</u>	<u>25,000</u>

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12 LOANS RECEIVABLES (Continued)

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Current		
Loans to outside parties	3,897,283	2,325,736
Interest accrued	528,195	146,186
Less: Allowance for expected credit losses	<u>(3,861,314)</u>	<u>(1,946,393)</u>
	<u>564,164</u>	<u>525,529</u>
	<u>590,414</u>	<u>550,529</u>

Loans to a related company are unsecured, interest bearing at 5% per annum, and repayable on 16 November 2025.

Loans to outside parties are unsecured, interest bearing at 5% to 15% per annum, and repayable within 14 days to 3 months.

Loans receivables are to be settled in cash.

The movement in allowance for expected credit losses of loans receivables is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Balance at beginning of financial year/period	1,946,393	-
Charge for the financial year/period	3,223,321	1,946,393
Reversal of allowance for expected credit losses	<u>(1,308,400)</u>	-
Balance at end of financial year/period	<u>3,861,314</u>	<u>1,946,393</u>

A reconciliation of loans receivables arising from investing activities is as follows:

	<u>1 January</u>	<u>Loans</u>	<u>Accretion of</u>	<u>Allowance for</u>	<u>31 December</u>
	<u>2023</u>	<u>provided</u>	<u>interest</u>	<u>expected credit</u>	<u>2023</u>
	USD	USD	USD	losses	USD
				USD	
Loans receivables	550,529	1,571,547	383,259	(1,914,921)	590,414

	<u>28 October</u>	<u>Loans</u>	<u>Accretion of</u>	<u>Allowance for</u>	<u>31 December</u>
	<u>2021</u>	<u>provided</u>	<u>interest</u>	<u>expected credit</u>	<u>2022</u>
	USD	USD	USD	losses	USD
				USD	
Loans receivables	-	2,350,736	146,186	(1,946,393)	550,529

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12 LOANS RECEIVABLES (Continued)

Loans receivables are denominated in the following currencies:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Indonesian Rupiah	564,164	525,529
United States Dollar	26,250	25,000
	<u>590,414</u>	<u>550,529</u>

13 PLANT AND EQUIPMENT

	<u>Computer equipment</u>
	USD
Cost	
At 01.01.2022 and 31.12.2022	-
Additions	1,062
At 31.12.2023	<u>1,062</u>
Accumulated depreciation	
At 01.01.2022 and 31.12.2022	-
Depreciation for the financial year	295
At 31.12.2023	<u>295</u>
Net carrying amount	
As at 31.12.2022	-
As at 31.12.2023	<u>767</u>

14 TRADE AND OTHER PAYABLES

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
<u>Trade payable</u>		
Outside party	<u>331,220</u>	-
<u>Other payables</u>		
Advances from outside parties	142,510	30,974
Accrued operating expenses	22,205	7,014
Salaries payable	12,778	-
Others	-	3,411
	<u>177,493</u>	<u>41,399</u>
Total Trade and other payables	508,713	41,399
Add: Loans and borrowings (Note 15)	7,168,714	3,209,165
Total financial liabilities carried at amortised cost	<u>7,677,427</u>	<u>3,250,564</u>

Trade payable is non-interest bearing and normally settled on a 30 days term.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14 TRADE AND OTHER PAYABLES (Continued)

Advances from outside parties are direct costs paid on behalf of the Company.

Trade and other payables are denominated in the following currencies:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Euro	110,086	-
Indonesian Rupiah	363,644	30,974
Singapore Dollar	34,983	7,014
United States Dollar	-	3,411
	<u>508,713</u>	<u>41,399</u>

15 LOANS AND BORROWINGS

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Loans from ultimate beneficial owner	3,428,490	-
Loans from holding company	3,031,526	3,055,152
Loans from outside parties	330,541	-
Accrued interest	<u>378,157</u>	<u>154,013</u>
	<u>7,168,714</u>	<u>3,209,165</u>

Loans from the ultimate beneficial owner are non-trade in nature, unsecured, bear interest at 5% per annum and repayable on 23 February 2028.

Loans from holding company are non-trade in nature, unsecured, bear interest at 5% per annum and repayable on 27 December 2026.

Loans from outside parties pertains to the funds from individuals who signed investment agreements with the fund lending business of the Company in Asia Pacific countries. These are unsecured, bear interests at 15% to 16.2% per annum and repayable from 30 June 2024 to 30 November 2024.

A reconciliation of loans and borrowings arising from financing activities is as follows:

	<u>1 January</u>	<u>Loans</u>	<u>Accretion of</u>	<u>Others</u>	<u>31 December</u>
	<u>2023</u>	<u>availed</u>	<u>interest</u>	<u>USD</u>	<u>2023</u>
	USD	USD	USD	USD	USD
Loans and borrowings	3,209,165	3,759,031	224,144	(23,626)	7,168,714
	<u>28 October</u>	<u>Loans</u>	<u>Accretion of</u>	<u>Others</u>	<u>31 December</u>
	<u>2021</u>	<u>availed</u>	<u>interest</u>	<u>USD</u>	<u>2022</u>
	USD	USD	USD	USD	USD
Loans and borrowings	-	3,055,152	154,013	-	3,209,165

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

15 LOANS AND BORROWINGS (Continued)

Loans and borrowings are denominated in the following currencies:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
Euro	3,832,920	-
Singapore Dollar	3,335,794	3,209,165
	<u>7,168,714</u>	<u>3,209,165</u>

16 SHARE CAPITALIssued and fully paid ordinary share capital, with no par value

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	<u>No. of</u>	USD	<u>No. of</u>	USD
	<u>shares</u>		<u>shares</u>	
Balance at beginning and end of financial year	<u>5,000</u>	<u>371</u>	<u>5,000</u>	<u>371</u>

On date of incorporation, the Company issued 5,000 ordinary shares at USD371 (SGD 500) to Fingular Pte Ltd.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

17 FINANCIAL INSTRUMENTS**(a) Financial risk management objectives and policies**

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

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team.

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

Credit risk

Credit risk refers to the risk the risk of loss arising from the counterparty's default on the contract, and as well as non-payment of principal and/or interest on fixed debts due within the time limit fixed by the treaty. The Company's exposure to credit risk arises primarily from all active loans at the end of every month and contains principal and interest on balance sheet. Loan portfolio is divided into buckets of days past due, and it is considered that portfolio in each bucket has the same quality.

The Company considers the probability of default event when assessed over a given time horizon.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Credit risk (Continued)**

The Company has determined the default event is a phenomenon that is caused by unwillingness, impossibility, or partial inability of a legal or individual to pay debts. Default occurs on 91 days past due.

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 is determined in accordance with internal rules and models and is based on external and internal information and risk data.

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

Category	Description	Basis for recognising expected credit losses (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL or Lifetime 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.

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	ECL	Gross carrying amount	Loss allowance	Net carrying amount
				USD	USD	USD
31 December 2023						
Current loans receivables - outside parties	12	Note A	Lifetime ECL (Simplified)	4,425,478	(3,861,314)	564,164
Non-current loans receivables - related company	12	I	Lifetime ECL (Simplified)	26,250	-	26,250
				4,451,728	(3,861,314)	590,414
31 December 2022						
Current loans receivables - outside parties	12	Note A	Lifetime ECL (Simplified)	2,471,922	(1,946,393)	525,529
Non-current loans receivables - related company	12	I	Lifetime ECL (Simplified)	25,000	-	25,000
				2,496,922	(1,946,393)	550,529

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Credit risk (Continued)****Current loans receivables – outside parties (Note A)**

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

	Current loans receivables - outside parties					Total
	Days past due					
	Not past due	1-30 days	31 - 60 days	61-90 days	Over 90 days	
	USD	USD	USD	USD	USD	USD
31 December 2023						
ECL rate	25%	80%	90%	99%	100%	
Estimated total						
gross carrying						
amount at default	619,685	366,790	438,048	1,472,136	1,528,819	4,425,478
ECL	(91,064)	(331,247)	(438,048)	(1,472,136)	(1,528,819)	(3,861,314)
	528,621	35,543	-	-	-	564,164

	Current loans receivables - outside parties					Total
	Days past due					
	Not past due	1-30 days	31 - 60 days	61-90 days	Over 90 days	
	USD	USD	USD	USD	USD	USD
31 December 2022						
ECL rate	25%	80%	90%	99%	100%	
Estimated total						
gross carrying						
amount at default	555,704	391,478	257,269	184,594	1,082,877	2,471,922
ECL	(136,044)	(313,182)	(231,542)	(182,748)	(1,082,877)	(1,946,393)
	419,660	78,296	25,727	1,846	-	525,529

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 standby credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Liquidity risk (Continued)****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.

		31 December 2023				
Note	Carrying amount USD	Contractual cash flows USD	One year or less USD	2 to 5 years USD		
<u>Financial assets</u>						
	Cash and cash equivalents	10	638,388	638,388	638,388	-
	Loans receivables	12	590,414	590,414	564,164	26,250
	Total undiscounted financial assets		<u>1,228,802</u>	<u>1,228,802</u>	<u>1,202,552</u>	<u>26,250</u>
<u>Financial liabilities</u>						
	Trade and other payables	14	508,713	508,713	508,713	-
	Loans and borrowings	15	7,168,714	7,168,714	-	7,168,714
	Total undiscounted financial liabilities		<u>7,677,427</u>	<u>7,677,427</u>	<u>508,713</u>	<u>7,168,714</u>
	Total net undiscounted financial (liabilities)/assets		<u>(6,448,625)</u>	<u>(6,448,625)</u>	<u>693,839</u>	<u>(7,142,464)</u>
		31 December 2022				
Note	Carrying amount USD	Contractual cash flows USD	One year or less USD	2 to 5 years USD		
<u>Financial assets</u>						
	Cash and cash equivalents	10	390,504	390,504	390,504	-
	Loans receivables	12	550,529	550,529	525,529	25,000
	Total undiscounted financial assets		<u>941,033</u>	<u>941,033</u>	<u>916,033</u>	<u>25,000</u>
<u>Financial liabilities</u>						
	Trade and other payables	14	41,399	41,399	41,399	-
	Loans and borrowings	15	3,209,165	3,209,165	-	3,209,165
	Total undiscounted financial liabilities		<u>3,250,564</u>	<u>3,250,564</u>	<u>41,399</u>	<u>3,209,165</u>
	Total net undiscounted financial (liabilities)/assets		<u>(2,309,531)</u>	<u>(2,309,531)</u>	<u>874,634</u>	<u>(3,184,165)</u>

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SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Market risk**

Market risk is the risk that changes in market prices, such as 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) Foreign currency risk

The Company's foreign currency risk exposures arise from the exchange rate movements of Indonesian Rupiah (IDR), Singapore Dollar (SGD) and Euro (EUR) to United States Dollar (USD), which is the Company's functional currency. As at the end of the reporting period, foreign currency balances for cash and cash equivalents, other receivable, loans receivables, trade and other payables and loans and borrowings are disclosed in Notes 10, 11, 12, 14 and 15, respectively, to the financial statements.

The Company has no formal policies in place to mitigate the effect of this foreign currency exposure.

Sensitivity analysis of foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in IDR, SGD and EUR (against USD), with all other variables held constant, of the Company's loss, net of tax.

	<u>Loss, net of tax</u>	
	<u>31 December 2023</u>	<u>31 December 2022</u>
	USD	USD
IDR - strengthened by 3% (2022: 3%)	20,148	8,358
- weakened by 3% (2022: 3%)	<u>(20,148)</u>	<u>(8,358)</u>
SGD - strengthened by 3% (2022: 3%)	(179,359)	(79,498)
- weakened by 3% (2022: 3%)	<u>179,359</u>	<u>79,498</u>
EUR - strengthened by 3% (2022: Nil)	(2,014)	-
- weakened by 3% (2022: Nil)	<u>2,014</u>	<u>-</u>

(b) Fair values of financial assets and financial liabilities

The Company has no fair value measurement hierarchy recognised in the statement of financial position as at the end of the reporting period.

During the financial year, no amount (2022: Nil) has been recognised in profit or loss in relation to the change in fair value of financial assets or financial liabilities, estimated using a valuation technique.

SH TECH PTE. LTD.

Company Registration No.: 202137623G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17 FINANCIAL INSTRUMENTS (Continued)**(b) Fair values of financial assets and financial liabilities (Continued)**Assets and liabilities not measured at fair value**(i) Cash and cash equivalents, current loans receivables and other payables**

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

(ii) Trade payable

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

(iii) Non-current loans receivables and loans and borrowings

The carrying amount of loans approximates its fair value as they are subject to inherent risk close to market rate of interest.

18 CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is dependent on its ultimate beneficial owner to provide continuous financial support to meet its liabilities as and when they fall due. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial year ended 31 December 2023 (2022: Nil).

19 COMPARATIVE FIGURES

The current financial year comprises 12 months from 1 January 2023 to 31 December 2023. The audited comparative figures presented in the financial statements are not entirely comparable as they cover a period from 28 October 2021 (date of incorporation) to 31 December 2022.

20 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 2 October 2024, the Company incorporated a wholly owned subsidiary under the name, Fingular Tech Sdn. Bhd. The entity is registered in Malaysia, with the principal place of business at 1171 Menara Bangkok Bank, Berjaya Central Park No. 105, Jalan Ampang 50450 Kuala Lumpur, Malaysia.