

SOFTTECH DIGITAL PTE. LTD.
(Company Reg. No.: 202234959H)

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

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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

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

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Vijay Gupta

Khairul Anwar Bin Ab Rahman (Resigned on 10 January 2025)

Reetu Kaur (Appointed on 10 January 2025)

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 in, or debentures of, the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

Name of director	<u>At the beginning of financial year</u>	<u>Direct Interest Transfer</u>	<u>At the end of financial year</u>
Ordinary shares of the Holding Company			
- <u>Softtech Engineers Limited</u> Vijay Gupta	3,681,234	(1,250,000)	2,431,234

By virtue of Section 7 of the Company Act, the above named director who hold interest of 28.72% of the issued capital of the holding company are deemed to have an interest in the whole of the share capital of the Company at the beginning and end of the financial year.

5. SHARE OPTIONS

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

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

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

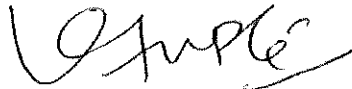
SOFTECH DIGITAL PTE. LTD.
(Company Reg. No.: 202234959H)

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

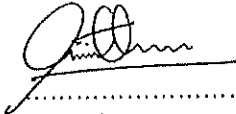
6. AUDITOR

JOE TAN & ASSOCIATES PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment as auditor.

On Behalf of the Board of Directors



.....
Vijay Gupta
Director



.....
Reetu Kaur
Director

Singapore

10 DEC 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

SOFTTECH DIGITAL PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.3 in the financial statements, which indicates that the Company incurred a net loss of S\$144,847 and capital deficiency of S\$22,139 for the year ended 31 March 2025. This may affect the Company ability to continue as a going concern. However, the shareholder has undertaken to provide continuing financial support to enable the company to meet its liabilities as and when they fall due. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 3.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Joe Tan & Assoc PAC

JOE TAN & ASSOCIATES PAC
Public Accountants and
Chartered Accountants

Singapore

10 DEC 2025

SOFTTECH DIGITAL PTE. LTD.
(Company Reg. No.: 202234959H)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	<u>Note</u>	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
ASSETS			
Non-current asset			
Investment in subsidiary	4	-	37,540
		<u>-</u>	<u>37,540</u>
Current assets			
Other receivables	5	144,164	93,606
Cash and cash equivalents	6	2,788	13,950
		<u>146,952</u>	<u>107,556</u>
Total assets		<u><u>146,952</u></u>	<u><u>145,096</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	200,000	200,000
Accumulated losses		(222,139)	(77,292)
(Equity deficit)/accumulated profit attributable to owners of the Company		<u>(22,139)</u>	<u>122,708</u>
Current liabilities			
Other payables	8	69,091	22,388
		<u>69,091</u>	<u>22,388</u>
Non-current liability			
Convertible debenture	9	100,000	-
		<u>100,000</u>	<u>-</u>
Total liabilities		<u><u>169,091</u></u>	<u><u>22,388</u></u>
Total equity and liabilities		<u><u>146,952</u></u>	<u><u>145,096</u></u>

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

SOFTTECH DIGITAL PTE. LTD.
(Company Reg. No.: 202234959H)

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

	<u>Note</u>	<u>2025 S\$</u>	<u>2024 S\$</u>
Revenue		-	-
Administrative expenses		<u>(144,847)</u>	<u>(68,267)</u>
Loss before tax	10	(144,847)	(68,267)
Income tax expense	11	<u>-</u>	<u>-</u>
Loss for the year, representing total comprehensive loss for the year		<u><u>(144,847)</u></u>	<u><u>(68,267)</u></u>

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

SOFTTECH DIGITAL PTE. LTD.
(Company Reg. No.: 202234959H)

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

	<u>Note</u>	<u>Share capital S\$</u>	<u>Accumulated losses S\$</u>	<u>Total S\$</u>
At 1 April 2023		10,000	(9,025)	975
Issue of share capital	7	190,000	-	190,000
Loss for the year, representing total comprehensive loss for the year		-	(68,267)	(68,267)
At 31 March 2024		<u>200,000</u>	<u>(77,292)</u>	<u>122,708</u>
At 1 April 2024		200,000	(77,292)	122,708
Loss for the year, representing total comprehensive loss for the year		-	(144,847)	(144,847)
At 31 March 2025		<u>200,000</u>	<u>(222,139)</u>	<u>(22,139)</u>

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

SOFTTECH DIGITAL PTE. LTD.
(Company Reg. No.: 202234959H)

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

	<u>Note</u>	<u>2025 S\$</u>	<u>2024 S\$</u>
Cash flows from operating activities			
Loss before tax		(144,847)	(68,267)
Adjustments for:			
Impairment of investment in subsidiary		37,540	
Changes in working capital:			
Other receivables		(50,558)	(80,745)
Other payables		46,703	539
Net cash used in operating activities		<u>(111,162)</u>	<u>(148,473)</u>
Cash flows from investing activity			
Investment in subsidiary		-	(37,540)
Net cash used in investing activity		<u>-</u>	<u>(37,540)</u>
Cash flows from financing activities			
Proceeds from issuance of shares	7	-	190,000
Proceeds from issuance of convertible debentures	9	100,000	-
Net cash generated from financing activities		<u>100,000</u>	<u>190,000</u>
Net (decrease)/increase in cash and cash equivalents		(11,162)	3,987
Cash and cash equivalents at 1 April		13,950	9,963
Cash and cash equivalents at 31 March	6	<u><u>2,788</u></u>	<u><u>13,950</u></u>

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

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

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

1. CORPORATE INFORMATION

Softtech Digital Pte. Ltd. (the Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 36 Robinson Road, #20-01 City House, Singapore 068877.

The principal activities of the Company are wholesale of computer software and development of software and applications (except games and cybersecurity software).

The immediate and ultimate holding company is Softtech Engineers Limited, which is incorporated in Pune, India.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 Singapore Dollars (S\$), which is the Company's functional currency. All financial information presented in Singapore Dollars (S\$), 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 CONSOLIDATION

Consolidated financial statements of the Company and its subsidiary has not been prepared as the company is a wholly-owned subsidiary of Softtech Engineers Limited, which prepares the consolidated financial statements that are publicly available.

2.3 GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis notwithstanding that the Company incurred a net loss of S\$144,847 and capital deficiency of S\$22,139 during the year ended 31 March 2025. This factor indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 GOING CONCERN - CONTINUED

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current asset and non-current liability as current asset and current liability. No such adjustments have been made to these financial statements.

2.4 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

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

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

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.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.6 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial liabilities (continued)

Subsequent measurement

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

Derecognition

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

2.7 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 other 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 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank which is subject to insignificant risk of changes in value.

2.9 INVESTMENT IN SUBSIDIARY

Investment in subsidiary is carried at cost less allowance for any impairment losses on an individual subsidiary basis. On disposal of investment in subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is recognized in profit or loss.

2.10 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.

2.11 PROVISIONS

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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 TAXES

(a) Current income tax

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

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

2.14 EMPLOYEE BENEFITS

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.

2.15 RELATED PARTIES

A related party is defined as follows:

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 RELATED PARTIES (CONTINUED)

- b) An entity is related to the Company if any of the followings conditions apply:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or jointly venture of the other entity (or an associate or joint ventures of an member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefits plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

2.16 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

2.17 CONVERTIBLE DEBENTURES

The Company recognizes optionally convertible debentures issued to its holding company, SoftTech Engineers Limited, as financial liabilities in accordance with SFRS(I) 9 Financial Instruments. The debentures bear interest at 4% per annum and are repayable or convertible into equity at the option of the holder after a tenure of three years. In the event of non-conversion, the debentures are repayable on demand after the expiry of three years tenure.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

4. INVESTMENT IN SUBSIDIARY

	2025 S\$	2024 S\$
Unquoted equity shares, at cost	37,540	37,540
Less: impairment	(37,540)	-
	<u>-</u>	<u>37,540</u>

The details of the subsidiary held by the Company are as follows:

Name of subsidiary	Principal activities	Country of incorporation and place of business	Effective equity held by the Company		Cost of investments	
			2025	2024	2025	2024
			%	%	S\$	S\$
Held by the Company:						
SoftTech Digital Software LLC	Computer system and communication equipment design	United Arab Emirates	100%	100%	37,540	37,540

5. OTHER RECEIVABLES

	2025 S\$	2024 S\$
Amount due from subsidiary	142,164	91,606
Deposit	2,000	2,000
	<u>144,164</u>	<u>93,606</u>

Amount due from subsidiary is non-trade in nature, unsecured, interest-free and receivable on demand.

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

6. CASH AND CASH EQUIVALENTS

	2025 S\$	2024 S\$
Cash at bank	2,788	13,950

7. SHARE CAPITAL

	2025		2024	
	Number of ordinary shares	S\$	Number of ordinary shares	S\$
Issued and fully paid ordinary shares				
At 1 April	198,039	200,000	100,000	10,000
Issuance of share capital	-	-	98,039	190,000
At 31 March	<u>198,039</u>	<u>200,000</u>	<u>198,039</u>	<u>200,000</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.

8. OTHER PAYABLES

	2025 S\$	2024 S\$
Amount due to holding company	9,423	9,423
Amount due to fellow subsidiary	25,498	-
Amount due to a director	1,060	1,315
Other payables	11,516	4,438
Accruals	21,594	7,212
	<u>69,091</u>	<u>22,388</u>

Amount due to holding company, fellow subsidiary and director are non-trade in nature, interest free, unsecured and repayable on demand.

Other payables are non-trade in nature, interest free, unsecured and repayable on demand.

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

9. CONVERTIBLE DEBENTURES

	2025 S\$	2024 S\$
4% optionally convertible debentures at SGD 100 each	100,000	-

The convertible debentures are non-trade in nature, interest charged at 4% p.a. and is optionally convertible to shares after 3 years from the date of allotment.

10. LOSS BEFORE TAX

	2025 S\$	2024 S\$
Loss before tax has been arrived at after charging:		
Foreign currency exchange loss	413	4,320
Professional fees	13,599	13,086
Salary - staff	86,532	49,371

11. INCOME TAX EXPENSE

The major components of income tax expense recognised in loss for the financial year ended 31 March 2025 and 31 March 2024 were as follows:

	2025 S\$	2024 S\$
Income tax		
- Current year	-	-
Income tax expense recognised in profit or loss	-	-

Relationship between tax expense and accounting loss

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

	2025 S\$	2024 S\$
Loss before tax	(144,847)	(68,267)
Income tax using the statutory tax rate of 17% (2024: 17%)	(24,624)	(11,605)
Deferred tax asset not recognised	18,242	-
Non-deductible expenses	6,382	11,605
Income tax expense recognised in profit or loss	-	-

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

12. FINANCIAL RISK MANAGEMENT

(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 other receivables. For other financial assets (including cash at banks), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

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

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

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major 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 reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

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

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 30 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

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

	Note	Category	12 month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
<u>31 March 2025</u>						
Other receivables	5	I	12-month ECL	144,164	-	144,164
<u>31 March 2024</u>						
Other receivables	5	I	12-month ECL	93,606	-	93,606

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.

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

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Exposure to credit risk

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

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

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 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 obligation.

	Carrying amount S\$	Contractual Cash flows S\$	One year or less S\$
<u>2025</u>			
Financial Assets			
Other receivables	144,164	144,164	144,164
Cash and cash equivalents	2,788	2,788	2,788
Total undiscounted financial assets	<u>146,952</u>	<u>146,952</u>	<u>146,952</u>
Financial Liabilities			
Other payables	69,091	69,091	69,091
Convertible debentures	100,000	104,000	104,000
Total undiscounted financial liabilities	<u>169,091</u>	<u>173,091</u>	<u>173,091</u>
Total net undiscounted financial liabilities	<u>(22,139)</u>	<u>(26,139)</u>	<u>(26,139)</u>

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

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

<u>2024</u>	<u>Carrying amount S\$</u>	<u>Contractual Cash flows S\$</u>	<u>One year or less S\$</u>
Financial Assets			
Other receivables	93,606	93,606	93,606
Cash and cash equivalents	13,950	13,950	13,950
Total undiscounted financial assets	<u>107,556</u>	<u>107,556</u>	<u>107,556</u>
Financial Liabilities			
Other payables	22,388	22,388	22,388
Total undiscounted financial liabilities	<u>22,388</u>	<u>22,388</u>	<u>22,388</u>
Total net undiscounted financial assets	<u>85,168</u>	<u>85,168</u>	<u>85,168</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rate risk 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 convertible debentures.

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, if the interest rates had been 100 (2024: Nil) basis points higher/lower with all other variables held constant, the Company's profit before tax would have been S\$830 (2024: S\$ Nil) higher/lower, arising mainly as a result of higher/lower interest income/expenses on fixed rate convertible debenture payable to holding company. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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

	<u>2025 S\$</u>	<u>2024 S\$</u>
Fixed rate instruments		
Financial liabilities	<u>100,000</u>	<u>-</u>

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

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk - continued

(ii) Foreign currency risk

The 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 cash at banks that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD).

The Company's currency exposures to the United States Dollar (USD) at the reporting date were as follows:

	USD S\$
<u>2025</u>	
<u>Financial asset</u>	
Cash at bank	1,737
Currency exposure	<u>1,737</u>
<u>2024</u>	
<u>Financial asset</u>	
Cash at bank	11,643
Currency exposure	<u>11,643</u>

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

	Loss after tax	Loss after tax
	2025 S\$	2024 S\$
United States Dollar	<u>(144)</u>	<u>(966)</u>

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

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

13. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables

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

14. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment and return capital to shareholder or issue new shares. 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 March 2025 and 31 March 2024.

15. 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:

	2025	2024
	S\$	S\$
Financial assets measured at amortised cost		
Other receivables	144,164	93,606
Cash and cash equivalents	2,788	13,950
Total financial assets measured at amortised cost	<u>146,952</u>	<u>107,556</u>
Financial liabilities measured at amortised cost		
Other payables	69,091	22,388
Convertible debentures	100,000	-
Total financial liabilities measured at amortised cost	<u>169,091</u>	<u>22,388</u>

16. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

10 DEC 2025

SOFTTECH DIGITAL PTE. LTD.
Company. Reg. No.: 202234959H

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

SOFTTECH DIGITAL PTE. LTD.
(Company Reg. No. 202234959H)

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

	<u>2025</u> <u>S\$</u>	<u>2024</u> <u>S\$</u>
Revenue	-	-
Less: Administrative expenses		
Audit fees		
- current period	3,000	3,000
- underprovision of prior year period	555	519
Bank charges	701	1,633
Business development	2,507	-
Foreign currency exchange loss	413	4,320
Impairment of investment in subsidiary	37,540	-
Insurance	-	1,162
Legal expenses	-	(9,058)
Professional fees	13,599	13,086
Salary	86,532	49,371
Skill development fund	-	77
Traveling and conveyance	-	4,157
	144,847	68,267
Loss before tax	<u>(144,847)</u>	<u>(68,267)</u>