

PROJECT DIGNITY PTE. LTD.

(Incorporated in Singapore)

Co reg no : 201017313E

AND ITS SUBSIDIARY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2024



ONG TONG WANG & CO

Chartered Accountants of Singapore

PROJECT DIGNITY PTE. LTD.

(Incorporated in Singapore)

Co reg no : 201017313E

AND ITS SUBSIDIARY

Director

Koh Seng Choon

Secretary

Ng Hoe Chor

Registered Office

69 Boon Keng Road, Singapore 339772

Auditors

Ong Tong Wang & Co

Bankers

Oversea Chinese Banking Corporation Limited

DBS Bank Limited

United Overseas Bank limited

CIMB Bank Berhad

Maybank Singapore Limited

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DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The sole director is pleased to present his statement to the member together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

1 OPINION OF THE DIRECTORS

In the opinion of the sole director,

- (a) the financial statements set out on page 6 to 44 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2 DIRECTORS OF THE COMPANY

The director in office at the date of this statement are:

Koh Seng Choon

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The director holding office at the end of the financial year had interests in the shares or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Companies Act 1967.

Name of Directors	Holding in the name of the Directors		Other holdings in which Directors are deemed to have interest	
	At 01.01.24	At 31.12.24	At 01.01.24	At 31.12.24
The company				
Koh Seng Choon	50,000	50,000	-	-
The subsidiary				
- Project Dignity (Hong Kong) Company Limited				
Koh Seng Choon	-	-	100	100

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 SHARE OPTIONS

During the financial year, no options were granted by the Company or its subsidiary to take up unissued shares of the Company or of its subsidiary.

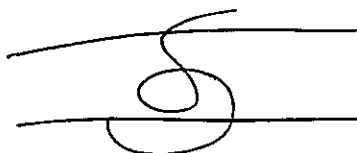
During the financial year, no shares of the Company or of its subsidiary were issued by virtue of the exercise of any options granted by the Company or its subsidiary.

There were no unissued shares of the Company or of its subsidiary under option granted by the Company or its subsidiary at the end of the financial year.

6 INDEPENDENT AUDITORS

The independent auditors, Messrs Ong Tong Wang & Co, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTOR



.....
Koh Seng Choon
Sole Director

Singapore, 30 May 2025



Chartered Accountants of Singapore
111 North Bridge Road, #15-03 Peninsula Plaza
Singapore 179098

Tel : 6336 4889
Fax : 6837 3556

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PROJECT DIGNITY PTE. LTD.

(Incorporated in Singapore)

Co reg no : 201017313E

AND ITS SUBSIDIARY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Project Dignity Pte. Ltd. (the Company) and its subsidiary (the Group)** for the year ended **31 December 2024** as set out on pages 6 to 44. These financial statements comprise the group and company balance sheet, statement of profit or loss and other comprehensive income, statement of changes in equity, the group cash flow statement, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 Group and of the Company as at 31 December 2024, and the financial performance, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

For financial year ended 31 December 2024 audit, we were unable to access the audit working papers of component auditors as required by SSA 600 as the management are of the opinion such requirements are not cost beneficial to the Company. At the same time, the subsidiary auditor has made disclaimer to the subsidiary financial statements figures with regards to going concern. The subsidiary auditor disclaim opinion is as follow:

"In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the adoption of the going concern basis, being the basis on which the financial statements have been prepared. As explained in note 2, the financial statements have been prepared on a going concern basis, the validity of which depends on the financial support of the sole shareholder and to generate sufficient cash flows to meet its future working capital and financing requirements. The financial statements do not include any adjustment that would result from a failure of implementation of such measures.

We consider that appropriate disclosures have been made, but the inherent uncertainties surrounding the circumstances under which the Company might successfully continue to adopt the going concern basis are so extreme that we have disclaimed our opinion."

As such we are unable to ascertain the reasonableness of the subsidiary balance sheet and profit or loss figures that were consolidated into the group figures. Hence we are also unable to ascertain the reasonableness of the consolidated balance sheet and profit or loss figures.



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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Report on the Audit of the Financial Statements - cont'd

Basis for Qualified Opinion - cont'd

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.4 and Note 3.3 in the financial statements, the Group and the Company total liabilities exceed its total assets by S\$2,202,828 and S\$484,453 respectively. As stated in Note 2.4 and Note 3.3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. However, the shareholder has confirmed that he will provide the necessary financial support to the Group and the Company as and when required to ensure the Group and the Company is in going concern. Our opinion is not modified in respect of this matter.

Other information

The Company's management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

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

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



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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Report on the Audit of the Financial Statements - cont'd

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Report on the Audit of the Financial Statements - cont'd

Auditor's Responsibilities for the Audit of the Financial Statements - cont'd

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 has been properly kept in accordance with the provisions of the Act.

ONG TONG WANG & CO
Public Accountants and
Chartered Accountants
Singapore

Singapore, 30 May 2025

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(Incorporated in Singapore)

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AND ITS SUBSIDIARY**BALANCE SHEETS AS AT 31 DECEMBER 2024**

		The Group		The Company	
	Note	2024 S\$	2023 S\$	2024 S\$	2023 S\$
ASSETS LESS LIABILITIES					
Non-Current Assets					
Plant and equipment	4	124,433	107,052	103,436	74,929
Right-of-use assets	5	140,112	233,447	140,112	233,447
Investment in subsidiary	6	-	-	17	17
		<u>264,545</u>	<u>340,499</u>	<u>243,565</u>	<u>308,393</u>
Current Assets					
Inventories	7	18,750	15,241	-	-
Trade and other receivables	8	358,692	400,159	520,151	318,774
Cash and cash equivalents	10	726,765	1,157,191	454,263	679,931
Tax recoverable		-	-	-	-
		<u>1,104,207</u>	<u>1,572,591</u>	<u>974,414</u>	<u>998,705</u>
Total Assets		<u>1,368,752</u>	<u>1,913,090</u>	<u>1,217,979</u>	<u>1,307,098</u>
Non-Current Liabilities					
Loans due to director	13	175,200	337,400	-	-
Lease liabilities	14	51,797	106,180	51,797	106,180
Bank term loans (secured)	15	1,935,920	1,993,485	476,654	611,229
		<u>2,162,917</u>	<u>2,437,065</u>	<u>528,451</u>	<u>717,409</u>
Current Liabilities					
Trade and other payables	11	959,565	1,140,462	787,105	963,675
Contract liabilities	12	26,630	91,480	-	40,800
Lease liabilities	14	74,930	75,178	74,930	75,178
Bank term loans (secured)	15	347,538	296,081	311,946	224,642
		<u>1,408,663</u>	<u>1,603,201</u>	<u>1,173,981</u>	<u>1,304,295</u>
Total Liabilities		<u>3,571,580</u>	<u>4,040,266</u>	<u>1,702,432</u>	<u>2,021,704</u>
Net Assets/(Liabilities)		<u>(2,202,828)</u>	<u>(2,127,176)</u>	<u>(484,453)</u>	<u>(714,606)</u>
EQUITY ATTRIBUTABLE TO OWNER					
Share capital	16	50,000	50,000	50,000	50,000
Foreign currency translation reserve	17	(20,614)	38,103	-	-
Retained earnings/(Accumulated losses)		(2,232,214)	(2,215,279)	(534,453)	(764,606)
		<u>(2,202,828)</u>	<u>(2,127,176)</u>	<u>(484,453)</u>	<u>(714,606)</u>
Non-controlling interest		-	-	-	-
Total Equity		<u>(2,202,828)</u>	<u>(2,127,176)</u>	<u>(484,453)</u>	<u>(714,606)</u>

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

PROJECT DIGNITY PTE. LTD.

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	The Group		The Company	
		2024 S\$	2023 S\$	2024 S\$	2023 S\$
Revenue	18	3,353,932	3,298,572	2,210,383	2,193,557
Cost of sales		(2,123,464)	(2,158,559)	(1,792,915)	(1,847,105)
Gross profit		1,230,468	1,140,013	417,468	346,452
Other income	19	1,338,338	669,473	1,236,301	598,564
		2,568,806	1,809,486	1,653,769	945,016
Administrative expenses		(50,283)	(54,542)	(41,687)	(36,649)
Other operating expenses		(2,411,305)	(2,571,655)	(1,310,437)	(1,583,699)
Finance costs	20	(124,153)	(70,097)	(71,492)	(29,639)
Profit/(loss) before taxation	21	(16,935)	(886,808)	230,153	(704,971)
Taxation	23	-	-	-	-
Net profit/(loss) for the year		(16,935)	(886,808)	230,153	(704,971)
Other comprehensive income/(loss) :					
Item that will be reclassified to profit or loss					
Foreign currency translation of subsidiary		(58,717)	24,069	-	-
Total comprehensive income/(loss) for the year		<u>(75,652)</u>	<u>(862,739)</u>	<u>230,153</u>	<u>(704,971)</u>
Profit/(loss) attributable to:					
Owners of the Company		(16,935)	(886,808)	230,153	(704,971)
Non-controlling interests		-	-	-	-
		<u>(16,935)</u>	<u>(886,808)</u>	<u>230,153</u>	<u>(704,971)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(75,652)	(862,739)	230,153	(704,971)
Non-controlling interests		-	-	-	-
		<u>(75,652)</u>	<u>(862,739)</u>	<u>230,153</u>	<u>(704,971)</u>

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

PROJECT DIGNITY PTE. LTD.

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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

<--Attributable to owners of company-->				
The Group	Share Capital S\$	Foreign Currency Translation Reserve S\$	Retained Earnings/ (Accumulated Losses) S\$	Total S\$
As at 1 January 2023	50,000	14,034	(1,328,471)	(1,264,437)
Total comprehensive income/(loss) for the year	-	24,069	(886,808)	(862,739)
As at 31 December 2023	50,000	38,103	(2,215,279)	(2,127,176)
Total comprehensive income/(loss) for the year	-	(58,717)	(16,935)	(75,652)
As at 31 December 2024	50,000	(20,614)	(2,232,214)	(2,202,828)

The Company	Share Capital S\$	Foreign Currency Translation Reserve S\$	Retained Earnings/ (Accumulated Losses) S\$	Total S\$
As at 1 January 2023	50,000	-	(59,635)	(9,635)
Total comprehensive income/(loss) for the year	-	-	(704,971)	(704,971)
As at 31 December 2023	50,000	-	(764,606)	(714,606)
Total comprehensive income for the year	-	-	230,153	230,153
As at 31 December 2024	50,000	-	(534,453)	(484,453)

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

PROJECT DIGNITY PTE. LTD.

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

		The Group	
	Note	2024 S\$	2023 S\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before taxation		(16,935)	(886,808)
Adjustments for:			
Depreciation plant & equipment	4	106,308	363,261
Depreciation of right-of-use assets	5	95,427	72,683
Finance costs	20	124,153	70,097
Exchange differences		(9,070)	28,981
Operating profit/(loss) before working capital changes		299,883	(351,786)
Changes in working capital:			
Inventories		(3,509)	2,475
Trade and other receivables		41,467	2,473
Trade and other payables		(180,897)	(265,523)
Contract liabilities		(64,850)	91,480
Cash generated from/(used in) operations		92,094	(520,881)
Interest paid		(116,229)	(65,118)
Taxation refunded/(paid)		-	31,631
Net cash generated from/(used in) operating activities		(24,135)	(554,368)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(97,215)	(33,593)
Net cash generated from/(used in) investing activities		(97,215)	(33,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans due to director payment		(175,200)	-
Payment of term loans		(302,120)	(266,055)
Proceed from term loans		240,000	1,171,100
Principal payment of lease liability		(82,222)	(69,367)
Lease interest paid		(7,924)	(4,979)
Net cash generated from/(used in) financing activities		(327,466)	830,699
Net increase/(decrease) in cash and cash equivalents		(448,816)	242,738
Cash and cash equivalents at beginning of year		1,157,191	926,005
Effect of exchange rate changes on cash and cash equivalent		18,390	(11,552)
Cash and cash equivalents at end of year	10	726,765	1,157,191

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

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

1 CORPORATE INFORMATION

Project Dignity Pte. Ltd. is a limited liability company incorporated and domiciled in Singapore with its registered address and principal place of business at 69 Boon Keng Road, Singapore 339772. The Company and its subsidiary are registered as a social enterprise respectively with raiSE in Singapore and the Hong Kong Council of Social Services.

The principal activities of the Company are that of provision of technical and vocational education and training relating to kitchen and food and as operators of food courts, coffee shops and eating house. There have been no significant changes in the nature of these activities during the financial year. The principal activities of the subsidiary are set out in note 6 of the financial statements.

The financial statement of the Group and the Company for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 30 May 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES**2.1 Compliance and Basis of Financial Statements Preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) under the Companies Act 1967. 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 dollar (S\$), which is the Company's functional currency and Group's presentation currency. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Adoption of New or Amended FRS and Interpretation of FRS

In financial year 2024, the Group adopted all the new or amended FRS and interpretations of FRS that are applicable in the current financial year in its financial statement preparation. The adoption does not have material effect to the financial performance or position of the Group.

In the financial year 2024, the Group have not adopted any new or amended FRS and interpretations of FRS that have been issued but not yet effective which are applicable in the current financial year. The directors expect that the adoption will have no significant effect on the financial statements in the period of initial application.

2.3 Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, expenses and disclosures made. Although the estimates and assumptions are assessed on an ongoing basis and are based on the management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.4 Fundamental Accounting Concept – Going Concern**

The financial statements have been prepared under the going concern basis of accounting on the assumption the Group is able to obtain continuing financial support from the director and shareholder as and when required.

2.5 Foreign Currency**2.5.1 Foreign Currency Transactions**

Transactions in foreign currencies are initially translated into the respective functional currencies of the Company and its subsidiaries, using the exchange rate in effect at the date of the transaction. At each balance sheet date, recorded monetary assets and liabilities that are denominated in foreign currencies are retranslated and adjusted to reflect the exchange rate at the balance sheet date. Exchange differences arising on settlement of monetary items or on retranslating monetary items at balance sheet date are recognised in the profit or loss account in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.5.2 Translation of Financial Statements of Foreign Entities

In preparation consolidated financial statements, the assets and liabilities of foreign entity are translated into Singapore dollars at exchange rate ruling at the balance sheet date. The profit or loss accounts of foreign entities are translated at the average rate for the financial year. The exchange differences arising from translation are taken directly to foreign currency translation reserves.

2.6 Consolidated Financial Statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the balance sheet date. The financial statements of the subsidiary are prepared for the same reporting date as the parent entity. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenditure and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.6 Consolidated Financial Statements - cont'd**

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenditure as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2.7 Subsidiary

A subsidiary is a company, in which the Group has the power to govern/control the financial and operating policies so as to obtain benefits from its activities. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. In the Company's separate financial statements, investment in subsidiary is accounted at cost less impairment losses.

2.8 Non-controlling interests

Non-controlling interest represents the equity in subsidiary not attributable, directly or indirectly, to owners of the Company. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.9 Plant and Equipment

All items of plant and equipment are initially stated at cost. Subsequently, plant and equipment are measured at cost less accumulated depreciation and any 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. Impairment of plant and equipment policy is stated in impairment for non-financial assets.

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment over their estimated useful lives as follows:

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.9 Plant and Equipment - cont'd**

	Years
Computer and IT equipment	1 – 3
Kitchen equipment	1 – 3
Motor vehicles	5
Office equipment	3
Other equipment	3
Renovation	3
Utensils	3

The assets' residual value, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date. Plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss of derecognition is included in profit or loss account in the period of derecognition. Fully depreciated assets are kept in the accounts until they are no longer in use.

2.10 Right-of-use Assets

The Group as a lessee assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As a result of the lease contracts, the Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

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

	Years
Leased retail store	1
Leased shop and office	3
Leased motor vehicles	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.11 Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the first-in-first out basis, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The carrying amount approximates their fair value.

2.12 Trade and Other Receivables

Trade and other receivables are financial assets which are stated at original invoice amount which is the fair value, less allowance for doubtful debts. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition. An allowance for doubtful debts is recognised in the profit or loss account when there is objective evidence that the Group will not be able to collect the debts and when there is expected credit losses. The carrying amount approximates their fair value. Trade debtors generally have 30 days credit terms and are interest-free.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted uses of cash are excluded from cash and cash equivalents.

2.14 Financial Assets

Financial assets are recognized on balance sheet when, and only when the Group becomes a party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial assets at its fair value plus, in the case of a financial asset not 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. Subsequently, financial assets are measured at amortised cost or fair value. Financial assets include trade and other receivables, investment securities and bank balances.

For debts instruments, depends on the Group'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:

2.14.1 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 any impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.14 Financial Assets - cont'd****2.14.2 Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

2.14.3 Fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

For equity instruments, the Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investment are to be recognised in profit or loss when the Group's right to receive payments is established. Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in other comprehensive income.

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 has been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 Impairment of Financial Assets

At initial recognition of financial assets, the Group will assess the credit risk ie probability of default payment of financial assets for any impairment loss. The Group shall then recognise loss allowance for the expected credit loss (ECL) for all debt instruments not held at FVTPL and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract with customer and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.15 Impairment of Financial Assets - cont'd**

Subsequently at each reporting date, the Group will reassess the credit risk of financial assets. For credit risk 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). Impairment loss or gain, the amount of expected credit losses (or reversal) is recognised in profit or loss.

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

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group 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 groups 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, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.16 Impairment of Non-Financial Assets - cont'd**

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reverse in future periods.

2.17 Trade and Other Payables

Trade and other payables are financial liabilities which are initially stated at cost which is the fair value, and subsequently measured at amortised cost using the effective interest method. The carrying amount approximates their fair value. Trade creditors generally have 30-60 days credit terms and are interest-free.

2.18 Financial Liabilities

Financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual agreements of the financial instrument and are classified according to the substance of the contractual arrangements entered into. All financial liabilities other than financial liabilities at fair value through profit or loss are initially stated at cost which is the fair value plus direct attributable transaction costs, and subsequently measured at amortised cost using the effective interest method. Any gains and losses are recognised in profit or loss account when the liabilities are derecognised or impaired, and through the amortisation process. Financial liabilities include borrowing, bank loans and overdraft, trade and other payables.

Financial liabilities at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are remeasured at fair value. Any gain or loss arising from changes in fair value, are recognised in profit or loss account.

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.

2.19 Lease Liabilities

The Group as a lessee assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As a result of lease contracts, the Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.19 Lease Liabilities - cont'd**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

For short-term leases and leases of low-value assets, the Group applies the short-term lease recognition exemption to any of its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to any of its leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.20 Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After which loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gain and losses are recognised in the profit or loss account when the liabilities are derecognised as well as through amortisation process. All borrowing costs that are interest and other similar costs incurred in connection with the borrowing of funds are recognised as an expense in the period in which they are incurred. The interest expense is calculated using the effective interest rate method.

2.21 Deferred Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.21 Deferred Taxation - cont'd**

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

2.22 Income Tax

Current income tax assets or liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and the tax laws used to compute the tax amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax expense is recognised in profit or loss accounts except to the extent that the tax relates to items recognised outside profit or loss account, either in other comprehensive income or directly in equity.

2.23 Share Capital

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

2.24 Related Parties

A related party is defined as follows:-

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following condition applies:-
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is the joint venture of a third entity and the other entity is an associate of the third entity
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.24 Related Parties - cont'd**

- (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 reporting entity or to the parent of the reporting entity.

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

2.25 Employee Benefits**2.25.1 Defined contribution plans**

The Group and the Company make contributions to the Central Provident Fund Scheme in Singapore and Mandatory Provident Fund in Hong Kong, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

2.25.2 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 Group and the Company have a present legal constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.26 Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchanged for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue excludes goods and services or other sales taxes and is after deduction of any trade discounts.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is recognised in the profit or loss account as follows:

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES - cont'd**2.26 Revenue Recognition - cont'd****2.26.1 Sale of Goods**

The Group sells foods and beverages. Revenue is recognised at the point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the estimated transaction price, which comprised the contractual price, net of any estimated volume discounts and adjusted for expected returns.

2.26.2 Service Revenue

The Group provides technical and vocational education and training services. Service revenue is recognised over time when the services have been performed and rendered over time.

2.26.3 Sponsorship Revenue

The Group receives sponsorship revenue for its social programme, its expenses and its plant and equipment. Sponsorship revenue is recognised in other income when the entitlements are established either by matching them to the related costs incurred or when performance obligation was completed when services were rendered or goods were delivered to the customers or when plant and equipment were completed and available for use on a systematic basis.

2.27 Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When grant relates to an expense items, it is recognised in the profit or loss account over the period necessary to match them systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is amortised over the period of the expected useful life of the related assets.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the critical judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below :

3.1 Useful Lives of Plant and Equipment

The cost of plant and equipment is depreciated on straight-line basis over the plant and equipment's estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 5 years. These are common useful life expectancies. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets which will revise the future amount to be depreciated. The carrying amount of plant and equipment is disclosed in note 4 to the financial statements.

3.2 Allowance for Doubtful Debts/ Expected credit loss

At initial recognition and subsequently at each reporting date, the Group assess for any expected credit loss (ECL). The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 9.

3.3 Going Concern

The Company's and Group's total liabilities exceed total assets as at year end 31 December 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's and the Group's ability to continue as a going concern. However, the director and shareholder has confirmed that he will provide the necessary financial support to the Company and the Group as and when required to enable the Company and the Group to operate as a going concern.

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AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024****4 PLANT AND EQUIPMENT****The Group**

2024	Computer & IT equipment S\$	Kitchen equipment S\$	Office equipment S\$	Other equipment S\$	Renovation S\$	Furniture & equipment S\$	Utensils S\$	Motor vehicles S\$	Total S\$
Cost									
As at 01.01.24	133,021	263,801	25,574	16,864	1,188,905	338,993	25,780	-	1,992,938
Additions	4,528	16,704	23,275	-	51,430	1,278	-	-	97,215
Reclassified from ROU assets	-	-	-	-	-	-	-	120,394	120,394
Disposals	(13,982)	(17,319)	(4,500)	-	-	-	-	-	(35,801)
Exchange differences	-	-	-	-	12,411	13,089	993	-	26,493
As at 31.12.24	<u>123,567</u>	<u>263,186</u>	<u>44,349</u>	<u>16,864</u>	<u>1,252,746</u>	<u>353,360</u>	<u>26,773</u>	<u>120,394</u>	<u>2,201,239</u>
Accumulated depreciation									
As at 01.01.24	120,689	245,328	24,875	16,242	1,127,998	328,903	21,851	-	1,885,886
Depreciation for 2024	12,738	18,775	5,850	467	60,012	4,413	1,928	2,125	106,308
Reclassified from ROU assets	-	-	-	-	-	-	-	94,895	94,895
Disposals	(13,982)	(17,319)	(4,500)	-	-	-	-	-	(35,801)
Exchange differences	-	-	-	-	11,866	12,768	884	-	25,518
As at 31.12.24	<u>119,445</u>	<u>246,784</u>	<u>26,225</u>	<u>16,709</u>	<u>1,199,876</u>	<u>346,084</u>	<u>24,663</u>	<u>97,020</u>	<u>2,076,806</u>
Net Book Value									
As at 31.12.24	<u>4,122</u>	<u>16,402</u>	<u>18,124</u>	<u>155</u>	<u>52,870</u>	<u>7,276</u>	<u>2,110</u>	<u>23,374</u>	<u>124,433</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024**4 PLANT AND EQUIPMENT - cont'd****The Group**

2023	Computer & IT equipment S\$	Kitchen equipment S\$	Office equipment S\$	Other equipment S\$	Renovation S\$	Furniture & equipment S\$	Utensils S\$	Total S\$
Cost								
As at 01.01.23	131,771	263,801	25,574	16,864	1,177,906	336,478	21,439	1,973,833
Additions	1,250	-	-	-	17,780	9,698	4,865	33,593
Disposals	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	(6,781)	(7,183)	(524)	(14,488)
As at 31.12.23	<u>133,021</u>	<u>263,801</u>	<u>25,574</u>	<u>16,864</u>	<u>1,188,905</u>	<u>338,993</u>	<u>25,780</u>	<u>1,992,938</u>
Accumulated depreciation								
As at 01.01.23	97,650	175,957	24,279	15,775	868,903	333,326	20,663	1,536,553
Depreciation for 2023	23,039	69,371	596	467	265,561	2,582	1,645	363,261
Disposals	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	(6,466)	(7,005)	(457)	(13,928)
As at 31.12.23	<u>120,689</u>	<u>245,328</u>	<u>24,875</u>	<u>16,242</u>	<u>1,127,998</u>	<u>328,903</u>	<u>21,851</u>	<u>1,885,886</u>
Net Book Value								
As at 31.12.23	<u>12,332</u>	<u>18,473</u>	<u>699</u>	<u>622</u>	<u>60,907</u>	<u>10,090</u>	<u>3,929</u>	<u>107,052</u>

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AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024****4 PLANT AND EQUIPMENT - cont'd****The Company**

2024	Computer & IT equipment S\$	Kitchen equipment S\$	Office equipment S\$	Other equipment S\$	Renovation S\$	Motor vehicles S\$	Total S\$
Cost							
As at 01.01.24	133,021	263,801	25,574	16,864	866,794	-	1,306,054
Additions	4,528	16,704	23,275	-	51,430	-	95,937
Reclassified from ROU assets	-	-	-	-	-	120,394	120,394
Disposals	(13,982)	(17,319)	(4,500)	-	-	-	(35,801)
As at 31.12.24	123,567	263,186	44,349	16,864	918,224	120,394	1,486,584
Accumulated depreciation							
As at 01.01.24	120,689	245,328	24,875	16,242	823,991	-	1,231,125
Depreciation for 2024	12,738	18,775	5,850	467	52,974	2,125	92,929
Reclassified from ROU assets	-	-	-	-	-	94,895	94,895
Disposals	(13,982)	(17,319)	(4,500)	-	-	-	(35,801)
As at 31.12.24	119,445	246,784	26,225	16,709	876,965	97,020	1,383,148
Net Book Value							
As at 31.12.24	4,122	16,402	18,124	155	41,259	23,374	103,436

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024**4 PLANT AND EQUIPMENT - cont'd****The Company**

2023	Computer & IT equipment S\$	Kitchen equipment S\$	Office equipment S\$	Other equipment S\$	Renovation S\$	Total S\$
Cost						
As at 01.01.23	131,771	263,801	25,574	16,864	866,794	1,304,804
Additions	1,250	-	-	-	-	1,250
Disposals	-	-	-	-	-	-
As at 31.12.23	<u>133,021</u>	<u>263,801</u>	<u>25,574</u>	<u>16,864</u>	<u>866,794</u>	<u>1,306,054</u>
Accumulated depreciation						
As at 01.01.23	97,650	175,957	24,279	15,775	562,755	876,416
Depreciation for 2023	23,039	69,371	596	467	261,236	354,709
Disposals	-	-	-	-	-	-
As at 31.12.23	<u>120,689</u>	<u>245,328</u>	<u>24,875</u>	<u>16,242</u>	<u>823,991</u>	<u>1,231,125</u>
Net Book Value						
As at 31.12.23	<u>12,332</u>	<u>18,473</u>	<u>699</u>	<u>622</u>	<u>42,803</u>	<u>74,929</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

5 RIGHT-OF-USE ASSETS

The Group and the Company

2024	Leased retail stores S\$	Leased shop and office S\$	Leased motor vehicles S\$	Total S\$
Cost				
At 01.01.24	9,417	227,327	120,394	357,138
Additions	27,591	-	-	27,591
Reclassified to P&E	-	-	(120,394)	(120,394)
Disposals	(9,417)	-	-	(9,417)
At 31.12.24	<u>27,591</u>	<u>227,327</u>	<u>-</u>	<u>254,918</u>
Accumulated Depreciation				
At 01.01.24	7,848	31,573	84,270	123,691
Depreciation 2024	9,026	75,776	10,625	95,427
Reclassified to P&E	-	-	(94,895)	(94,895)
Disposals	(9,417)	-	-	(9,417)
At 31.12.24	<u>7,457</u>	<u>107,349</u>	<u>-</u>	<u>114,806</u>
Net Book Value				
At 31.12.24	<u>20,134</u>	<u>119,978</u>	<u>-</u>	<u>140,112</u>
2023	Leased retail stores S\$	Leased shop and office S\$	Leased motor vehicles S\$	Total S\$
Cost				
At 01.01.23	9,417	227,327	120,394	357,138
Additions	9,417	227,327	-	236,744
Disposals	(9,417)	(227,327)	-	(236,744)
At 31.12.23	<u>9,417</u>	<u>227,327</u>	<u>120,394</u>	<u>357,138</u>
Accumulated Depreciation				
At 01.01.23	7,849	208,383	71,520	287,752
Depreciation 2023	9,416	50,517	12,750	72,683
Disposals	(9,417)	(227,327)	-	(236,744)
At 31.12.23	<u>7,848</u>	<u>31,573</u>	<u>84,270</u>	<u>123,691</u>
Net Book Value				
At 31.12.23	<u>1,569</u>	<u>195,754</u>	<u>36,124</u>	<u>233,447</u>

The net book value of right-of-use assets held under finance lease as at end of the year is S\$Nil (2023: S\$36,124) in respect of leased motor vehicles.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**6 INVESTMENT IN SUBSIDIARY**

	The Company	
	2024	2023
	S\$	S\$
Unquoted equity shares, at cost	17	17
Less : Accumulated impairment loss	-	-
	<u>17</u>	<u>17</u>

Details of the subsidiary is as follows:

Name of company	Principal activities	Place of incorporation and business	Effective equity held by the Company	
			2024	2023
			%	%
Project Dignity (Hong Kong) Company Limited	Cooked food centre and provision of training services and motivational courses	Hong Kong	100	100

7 INVENTORIES

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Foods, beverages and packing materials	<u>18,750</u>	<u>15,241</u>	<u>-</u>	<u>-</u>

8 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Trade debtors (note 9)	58,463	62,064	40,576	65,592
Deposits	89,051	88,945	51,313	51,426
Prepayments	31,749	39,373	5,312	12,307
Amount due from a subsidiary – non-trade, net	-	-	254,385	-
Other debtors	<u>179,429</u>	<u>209,777</u>	<u>168,565</u>	<u>189,449</u>
	<u>358,692</u>	<u>400,159</u>	<u>520,151</u>	<u>318,774</u>

The amount due from a subsidiary is unsecured, interest-free and with no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

8 TRADE AND OTHER RECEIVABLES - cont'd

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Amount due from a subsidiary	-	-	504,385	-
– non-trade				
Less : Allowance for doubtful debts/ECL	-	-	(250,000)	-
	<u>-</u>	<u>-</u>	<u>254,385</u>	<u>-</u>

Trade and other receivables include amounts denominated in foreign currency are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Hong Kong Dollars	<u>93,901</u>	<u>96,430</u>	<u>-</u>	<u>-</u>

9 TRADE DEBTORS

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Trade debtors - third parties	58,463	62,064	39,601	50,547
Trade debtors - subsidiary	-	-	975	15,045
	<u>58,463</u>	<u>62,064</u>	<u>40,576</u>	<u>65,592</u>
Less : Allowance for doubtful debts/ECL	-	-	-	-
	<u>58,463</u>	<u>62,064</u>	<u>40,576</u>	<u>65,592</u>

Trade debtors are analysed as follows:-

	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Not past due and not impaired	32,773	35,669	20,371	28,392
Past due but not impaired				
0 - 30 days	10,855	18,620	7,122	14,841
More than 30 days	14,835	7,775	13,083	22,359
	<u>58,463</u>	<u>62,064</u>	<u>40,576</u>	<u>65,592</u>
Impaired				
Individual assessed	-	-	-	-
Allowance for doubtful debts/ECL	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trade debtors, net	<u>58,463</u>	<u>62,064</u>	<u>40,576</u>	<u>65,592</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**10 CASH AND CASH EQUIVALENTS**

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Cash at banks	709,634	1,147,161	439,890	672,344
Cash on hand	17,131	10,030	14,373	7,587
	<u>726,765</u>	<u>1,157,191</u>	<u>454,263</u>	<u>679,931</u>

Cash and cash equivalents include amounts denominated in foreign currency are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Hong Kong Dollars	<u>272,502</u>	<u>477,260</u>	<u>-</u>	<u>-</u>

11 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Trade creditors – third parties	62,823	134,520	55,206	98,612
Accrued operating expenses	180,442	200,428	180,442	200,428
Amount due to director – non - trade	22,740	22,740	22,740	22,740
Loan creditors	126,016	257,606	126,016	257,606
Other creditors	155,665	160,785	65,937	57,644
Advance from sponsors	411,879	364,383	336,764	326,645
	<u>959,565</u>	<u>1,140,462</u>	<u>787,105</u>	<u>963,675</u>

Loan creditors and amount due to director are unsecured, interest-free and with no fixed term of repayments.

Trade and other payables include amounts denominated in foreign currency are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Hong Kong Dollars	<u>172,460</u>	<u>176,787</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**12 CONTRACT LIABILITIES****The Group**

	2024 S\$	2023 S\$	2022 S\$
Advance billings	<u>26,630</u>	<u>91,480</u>	<u>-</u>

The Company

	2024 S\$	2023 S\$	2022 S\$
Advance billings	<u>-</u>	<u>40,800</u>	<u>-</u>

Advance billings to customers primarily relate to advance billing as at year end for future services. Advance billings are recognised as revenue as and when the Group and the Company perform the services. Advance billings are substantially recognised as revenue in the following financial year. Advance billings decreased mainly due to no advance billing as at year end.

13 LOANS DUE TO DIRECTOR

	The Group		The Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Loans due to director	<u>175,200</u>	<u>337,400</u>	<u>-</u>	<u>-</u>

Loans due to director are unsecured, bear effective interests of 3% (2023: 3%) per annum and with no fixed term of repayments.

Loans due to director include amounts denominated in foreign currency are as follows:

	The Group		The Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Hong Kong Dollars	<u>175,200</u>	<u>337,400</u>	<u>-</u>	<u>-</u>

14 LEASE LIABILITIES

At year end, the Group and Company as a lessee had obligations under lease liabilities that are repayable as follows:

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

14 LEASE LIABILITIES - cont'd

The Group and the Company

2024	Minimum lease payments S\$	Interest S\$	Principal S\$
Within 1 year/ Current	79,235	4,305	74,930
Within 2 to 5 years/ Non-current	52,642	845	51,797
	<u>131,877</u>	<u>5,150</u>	<u>126,727</u>
2023	Minimum lease payments S\$	Interest S\$	Principal S\$
Within 1 year/ Current	82,117	6,939	75,178
Within 2 to 5 years/ Non-current	110,200	4,020	106,180
	<u>192,317</u>	<u>10,959</u>	<u>181,358</u>

The effective interest rate was range from 4.75% to 5.00% (2023: 4.75% to 5.00%) per annum. The lease liabilities relate to the company leased retail stores, leased shop and office and leased motor vehicles. The company's obligations under the lease is secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets.

The Group and the Company also has leases not capitalised as the Group and the Company applies the 'lease of low-value assets' recognition exemptions for the following expenses recognised in profit or loss:

	The Group		The Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Rental of equipment	3,117	1,440	1,265	1,440
Rental of premises	22,642	43,659	15,617	43,659
	<u>25,759</u>	<u>45,099</u>	<u>16,882</u>	<u>45,099</u>

15 BANK TERM LOANS (SECURED)

	The Group		The Company	
	2024 S\$	2023 S\$	2024 S\$	2023 S\$
Current portion / Within 1 year	347,538	296,081	311,946	224,642
Non-current portion/ Within 2 to 5 years	1,178,768	1,173,320	476,654	611,229
Non-current portion/ After 5 years	757,152	820,165	-	-
	<u>2,283,458</u>	<u>2,289,566</u>	<u>788,600</u>	<u>835,871</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**15 BANK TERM LOANS (SECURED) - cont'd**

The bank term loans and bank overdraft are secured by a personal guarantee by the director. The bank term loans are disbursed progressively over a period of time, and repayable over a period from 1 to 5 years, and bear effective interests range from 2.50% to 8.00% (2023: 2.50% to 8.88%) per annum.

Bank term loans include amounts denominated in foreign currency are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Hong Kong Dollars	<u>1,494,858</u>	<u>1,453,695</u>	<u>-</u>	<u>-</u>

16 SHARE CAPITAL

	The Group and Company			
	2024		2023	
	No. of shares	S\$	No. of shares	S\$
Issued and fully paid up:				
Ordinary shares				
At beginning of the year				
and end of year	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

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

17 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve records the exchange differences arising from translation of the financial statements of foreign subsidiary whose functional currency is different from that of the Group's presentation currency in consolidation of financial statements.

18 REVENUE

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Type of good and service:				
Training and other service fees	1,225,030	926,882	961,110	769,904
Social programme income	495,410	570,289	298,819	236,333
Food and beverage sales	<u>1,633,492</u>	<u>1,801,401</u>	<u>950,454</u>	<u>1,187,320</u>
	<u>3,353,932</u>	<u>3,298,572</u>	<u>2,210,383</u>	<u>2,193,557</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**18 REVENUE - cont'd**

	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Timing of transfer of good and service:				
Over time	1,720,440	1,497,171	1,259,929	1,006,237
At a point in time	1,633,492	1,801,401	950,454	1,187,320
	<u>3,353,932</u>	<u>3,298,572</u>	<u>2,210,383</u>	<u>2,193,557</u>

19 OTHER INCOME

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Amortisation of plant and equipment and right-of-use assets sponsorship income	75,823	290,983	75,823	290,983
Bank interest income	10,855	2,663	9,258	-
Fire funds sponsorship received	921,769	-	921,769	-
Fire insurance proceeds	102,155	-	102,155	-
Government grants	98,467	110,039	2,000	-
Jobs growth incentive	-	11,103	-	11,103
Management income	-	-	-	90,000
Rental income	300	4,644	300	4,644
Senior employment credit	83,274	82,843	83,274	82,843
Sponsorship income	5,801	10,645	3,220	10,645
Wage credit scheme	-	51,745	-	51,745
Others	39,894	104,808	38,502	56,601
	<u>1,338,338</u>	<u>669,473</u>	<u>1,236,301</u>	<u>598,564</u>

20 FINANCE COST

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Bank term loans interest	116,229	65,118	63,568	24,660
Lease interest	7,924	4,979	7,924	4,979
	<u>124,153</u>	<u>70,097</u>	<u>71,492</u>	<u>29,639</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**21 PROFIT/(LOSS) BEFORE TAXATION**

The following items have been included in arriving at profit/(loss) before taxation:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Accounting & consulting fee	31,172	24,532	29,298	14,790
Allowance for doubtful debts	-	-	250,000	-
Bad debts written off – trade	-	-	15,045	-
Bad debts written off – non-trade	-	-	-	439,955
Depreciation plant & equipment	106,308	363,261	92,929	354,709
Depreciation of right-of-use assets	95,427	72,683	95,427	72,683
Employee benefits (note 22)	1,596,078	1,517,121	447,889	394,247
Legal and professional fees	2,600	1,801	2,600	1,300
Rental of premises	22,642	50,590	15,617	43,659
Repair & maintenance	95,655	42,779	86,261	29,922
Transport expenses	23,187	2,837	21,858	-
Utilities	188,844	200,462	99,298	98,049

22 EMPLOYEE BENEFITS

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Salaries and bonus (including director)	1,507,839	1,434,629	400,707	361,466
CPF/MPF (including director)	82,853	76,983	41,796	27,272
Medical fee	5,386	5,509	5,386	5,509
	1,596,078	1,517,121	447,889	394,247
Direct labour salaries and CPF (included in cost of sales)	1,207,366	1,243,106	1,207,366	1,243,106
	2,803,444	2,760,227	1,655,255	1,637,353

23 TAXATION

Major components of income tax expense were:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Current year tax	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**23 TAXATION - cont'd**

A numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the year ended was as follows:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Profit/(loss) before taxation	<u>(16,935)</u>	<u>(886,808)</u>	<u>230,153</u>	<u>(704,971)</u>
Tax on profit/(loss) before tax at 17% (2023: 17%)	(2,879)	(150,758)	39,126	(119,845)
Adjustment as tax effect on:				
Effect of different tax rates in other country	2,528	2,293	-	-
Non-taxable income	(13,152)	(49,906)	(12,889)	(49,467)
Expenses not deductible	49,349	49,263	49,349	124,055
Temporary differences	15,289	10,520	13,082	9,109
Utilised losses brought forward	-	-	-	-
Unutilised capital allowances and losses carried forward	(51,135)	138,588	(88,668)	36,148
Others	-	-	-	-
Tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Unrecognised deferred tax assets

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
Unutilised capital allowances carried forward	43,877	66,532	-	26,230
Unutilised tax losses carried forward	<u>309,111</u>	<u>256,505</u>	<u>88,990</u>	<u>118,923</u>

Deferred tax assets in respect of the above items have not been recognised in the financial statements as the probability of future taxable profits being available to utilise such benefits cannot be reliably established. The uses of unutilized capital allowances and tax losses to offset against future taxable profits are subject to there being no substantial change in shareholders requirements under the Singapore Income Tax Act and relevant Hong Kong tax rules. The unutilized capital allowances and tax losses do not expire under the current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**24 SIGNIFICANT RELATED PARTIES TRANSACTIONS**

In addition to related party information disclosed elsewhere in the financial statement, the significant related party transactions on terms agreed between the Company and its related parties are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	S\$	S\$	S\$	S\$
With directors				
Directors' remuneration	106,026	103,012	106,026	103,012
With subsidiary				
Management fee income from	-	-	-	90,000
Loan to	-	-	504,385	-

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's and the Company's financial instruments are credit, foreign exchange, interest rate, market price and liquidity risks. The Group's objective of risk management is to eliminate these risks, if not to minimise these risks to an acceptable level. The policies of managing each of these risks are summarised below:

Credit Risk

Credit risk refers to the risk that counter party to a financial instrument may default on their contractual obligations resulting in a financial loss to the Group and the Company. The Group has adopted a policy of only dealing with creditworthy counterparties. For trade and other receivables the Group performs credit review before granting credit to its customers, deals with creditworthy customers and monitors its debts collection regularly as a mean of minimising credit risk. For cash and cash equivalent the credit risk is minimised by placing it with reputable banks. Generally the Group do not require a collateral. There have been no changes in this policy during the financial year.

The Group developed a credit review system and use it for internal grading and categorise its customers according to their degree of risk of default and ability to pay. The Group internal credit grading uses internal and external information and indicator (whichever available) but not limited to the followings :

- the Group's internal and third party trading and collection records
- external credit rating
- customer financial statements or accounts
- actual and expected significant changes in business, financial and economic conditions
- actual and expected significant change in the operating results of customer

The Group's current credit risk grading framework comprise the following categories:

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - cont'd****Credit Risk - cont'd**

Category or Grade	Definition of category	Basis for recognising expected credit loss (ECL)
1	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
2	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
3	Amount is > 60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
4	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

After initial recognition of financial asset, the Group assess the probability of default and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Based on the assessment, a debtor is presumed to have a significant increase in credit risk if the debtor is more than 30 days past due in making contractual payment. This debtor will be graded no 2 as per the above table.

For grade 3, the Group determined that its financial assets are credit-impaired when:

- a. there is significant difficulty of the debtor in making payment
- b. a breach of contract, such as a default or past due event
- c. It is probable that the debtor will enter bankruptcy or other financial reorganization
- d. There is a disappearance of an active market for that financial asset because of financial difficulty.

For grade 4, the Group categorises a receivable for potential write-off when a debtor fails to make contractual payment more than 120 days past due. Financial assets are proposed for 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 Group determined a default event of a financial asset to be when the internal and/or external information indicates that the financial assets 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 difficulty of the counterparty.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - cont'd

Credit Risk - cont'd

The Group					
	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
2024					
Trade debtors	See below	Lifetime ECL (Simplified)	58,463	-	58,463
Other debtors	1	12-month ECL	179,429	-	179,429
Cash and equivalents	1	12-month ECL	<u>726,765</u>	<u>-</u>	<u>726,765</u>
2023					
	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
Trade debtors	See below	Lifetime ECL (Simplified)	62,064	-	62,064
Other debtors	1	12-month ECL	209,777	-	209,777
Cash and equivalents	1	12-month ECL	<u>1,157,191</u>	<u>-</u>	<u>1,157,191</u>
The Company					
	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
2024					
Trade debtors	See below	Lifetime ECL (Simplified)	40,576	-	40,576
Other debtors	1	12-month ECL	168,565	-	168,565
Cash and equivalents	1	12-month ECL	<u>454,263</u>	<u>-</u>	<u>454,263</u>
2023					
	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
Trade debtors	See below	Lifetime ECL (Simplified)	65,592	-	65,592
Other debtors	1	12-month ECL	189,449	-	189,449
Cash and equivalents	1	12-month ECL	<u>679,931</u>	<u>-</u>	<u>679,931</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - cont'd**Credit Risk - cont'd**

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

Other financial assets comprise of other receivables which are mostly short term in nature. Impairment of other financial assets has been measured on 12-month ECL and reflect the short maturities exposures. The Group and the Company considers its other financial assets to have low credit risk and the amount of allowance on the other financial assets is insignificant.

As at year end, there is a concentration of credit risk of the Company of S\$15,486 (2023: S\$29,971) mainly relating to 3 major trade debtors.

Foreign Currency Risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates which may have an adverse effect on the Group's and the Company's financial position and result in the current reporting period and in the future years. The Group and the Company monitors its foreign currency risk exposure regularly and maintains natural hedge whenever possible by receiving and paying in the same foreign currency to minimise foreign currency risk. There have been no changes in this policy during the financial year.

The Group's and the Company's exposures to foreign currency risk at balance sheet date are relates mainly to trade and other receivables, cash and cash equivalents, trade and other payables that are denominated in Hong Kong dollars. The Group's and the Company's exposure to foreign currency risk is minimal, as the Group and the Company does not expect the foreign exchange rate to fluctuate significantly.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates which may have an adverse effect on the Group's and the Company's financial position and results in the current reporting period and in the future years. The Group monitors its interest rate exposure regularly and where possible minimise the exposure by obtaining the lowest possible interest rates for its borrowing. There have been no changes in this policy during the financial year.

The Group's and the Company's exposure to interest rate risk mainly relates to its bank term loans and lease liability. The exposure to interest rate risk is minimal, as the Group and the Company does not expect the interest rate to fluctuate significantly.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024**25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - cont'd****Market Price Risk**

Market price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest or exchange rates) which may have an adverse effect on the Group's and the Company's financial position and results in the current reporting period and in the future years. The Group's and the Company's exposure to market price risk is minimal, as the Group and the Company has no significant assets or liabilities that are subject to market price.

Liquidity Risk

Liquidity risk refers to the risk that the Group and the Company is unable to meet its obligations as and when they fall due. The Group monitors its debts collection and cash flow on a regular basis as a means of managing liquidity risk and the directors and shareholders of the Group will provide financial support as and when required. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. There have been no changes in this policy during the financial year.

At year end, the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash outflows, excluding interest payments and the impact of netting agreements are as follows:

The Group

2024	Within 1 year S\$	Within 2 - 5 year S\$	More than 5 years S\$	Total S\$
Trade and other payables	959,565	-	-	959,565
Lease liabilities	74,930	51,797	-	126,727
Bank term loans (secured)	347,538	1,935,920	-	2,283,458
Loans due to director	-	175,200	-	175,200
	<u>1,382,033</u>	<u>2,162,917</u>	<u>-</u>	<u>3,544,950</u>

The Group

2023	Within 1 year S\$	Within 2 - 5 year S\$	More than 5 years S\$	Total S\$
Trade and other payables	1,140,462	-	-	1,140,462
Lease liabilities	75,178	106,180	-	181,358
Bank term loans (secured)	296,081	1,173,320	820,165	2,289,566
Loans due to director	-	337,400	-	337,400
	<u>1,511,721</u>	<u>1,616,900</u>	<u>820,165</u>	<u>3,948,786</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - cont'd

Liquidity Risk - cont'd

The Company

2024	Within 1 year S\$	Within 2 - 5 year S\$	More than 5 years S\$	Total S\$
Trade and other payables	787,105	-	-	787,105
Lease liabilities	74,930	51,797	-	126,727
Bank term loans (secured)	311,946	476,654	-	788,600
	<u>1,173,981</u>	<u>528,451</u>	<u>-</u>	<u>1,702,432</u>
2023	Within 1 year S\$	Within 2 - 5 year S\$	More than 5 years S\$	Total S\$
Trade and other payables	963,675	-	-	963,675
Lease liabilities	75,178	106,180	-	181,358
Bank term loans (secured)	224,642	611,229	-	835,871
	<u>1,263,495</u>	<u>717,409</u>	<u>-</u>	<u>1,980,904</u>

26 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amount of the different categories of financial instruments is as disclosed either on the face of the balance sheet or in the other notes to the financial statements. Financial assets at amortised cost include trade and other receivables and cash and cash equivalents. Financial liabilities at amortised cost include trade and other payables, lease liabilities and bank term loans.

27 FAIR VALUE OF ASSETS AND LIABILITIES

Fair Value Hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

27 FAIR VALUE OF ASSETS AND LIABILITIES - cont'd**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.

Trade debtors and trade creditors, the carrying amount of these debtors and creditors (including trade balances due from/to related companies) approximate their fair values as they are subject to normal trade credit terms.

Bank term loans and lease liabilities, the carrying amounts approximate their fair values as they are subject to interest rates close to market rate of interest for similar arrangements with financial institution.

28 CAPITAL MANAGEMENT

The capital of the Group refers to equity and cash and cash equivalents. The primary objective of the Group's capital management is to ensure it maintains a healthy and positive capital level in order to support and maintain its business operation and maximise shareholder value. The Group manages its capital structure and makes necessary adjustments, in light of changes in economic conditions. This capital level is financially supported by the directors and shareholders. There were no changes in the Group approach to capital management during the year.

29 EVENT AFTER THE BALANCE SHEET DATE**Bank loan**

Subsequent to the financial year end, the Company has obtained a bank loan of S\$60,000 for working capital requirements. The bank loan is disbursed progressively over a period of time, and repayable over a period of 3 years, and bears effective interest rate of 8% per annum.

PROJECT DIGNITY PTE. LTD.

(Incorporated in Singapore)

Co reg no : 201017313E

DETAILED PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 S\$
Revenue	2,210,383
Less: Cost of sales	(1,792,915)
Gross profit	<u>417,468</u>
Other income	1,236,301
	<u>1,653,769</u>
Less: Operating expenses	
Accounting & consulting fees	29,298
Audit fee	7,960
Allowance for doubtful debts - non-trade	250,000
Bad debts written off - trade	15,045
Bank services charges	4,899
Bank term loans interest	63,568
CPF contributions	33,770
Depreciation plant & equipment	92,929
Depreciation of right-of-use assets	95,427
Directors' CPF	8,026
Directors' salaries	98,000
Entertainment and refreshment	324
Farm operating expenses	14,452
Foreign workers levy	18,987
General expenses	28,568
Insurance	8,530
Lease interest	7,924
Legal and professional fees	2,600
License and permit	3,461
Medical fee	5,386
Minor fixed assets expense off	11,761
Office supplies	1,419
Penalty and fines	400
Printing & stationery	3,199
Rental of equipment	1,265
Rental of premises	15,617
Repair & maintenance	86,261
Salaries & bonus	302,707
Skill development levy	3,694
Staff training	7,287
Staff welfare	32,600
Subscription fees	6,803
Tax fee	1,230
Telephone & internet	15,753
Transport expenses	21,858
Travelling expenses	5,291
Upkeep of motor vehicles	18,019
Utilities	99,298
	<u>1,423,616</u>
Profit before taxation	<u><u>230,153</u></u>

The schedule does not form part of the audited statutory financial statements.