Company Registration No. 201810924K

Affle International Pte. Ltd.

Annual Financial Statements
For the financial year ended 31 March 2024

Building a better
working world

Affle International Pte. Ltd.

Index

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

Opinion of the directors

In the opinion of the directors,

(a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the financial 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.

Directors

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

Anuj Khanna Sohum @ Anuj Khanna
Vivek Narayan Gour
Bijynath S/O Ram Nawal
Leong Mei Theng

Arrangements to enable directors to acquire shares or debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares of the Company's holding company as stated below:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ultimate Holding company				
Affle Holdings Pte Ltd				
Ordinary shares				
Anuj Khanna Sohum @ Anuj Khanna	4,271,225	4,271,225	–	–
Vivek Narayan Gour	28,337	28,337	–	–
Leong Mei Theng	5,000	5,000	–	–
Bijynath S/O Ram Nawal	–	–	23,550	23,550

Directors' interests in shares and debentures (cont'd)

	Direct interest		**Deemed interest**	
	At the beginning of financial year	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ultimate Holding company				
Affle Holdings Pte Ltd				
<u>Share options</u>				
Leong Mei Theng	69,640	69,640	–	–

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Share options

No options were issued by the Company during the financial year. As at 31 March 2024, there are no options on the unissued shares of the Company or any other body corporate which were outstanding.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Anuj Khanna

Anuj Khanna Sohum @ Anuj Khanna
Director

Leong Mei Theng

Leong Mei Theng
Director

Singapore
23 May 2024

Independent auditor's report to the Member of Affle International Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Affle International Pte. Ltd. (the Company) which comprise the balance sheet of the Company as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year ended 31 March 2024, and notes to the financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

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

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement, 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 express any form of assurance conclusion thereon.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

23 May 2024

Affle International Pte. Ltd.

Statement of comprehensive income
For the financial year ended 31 March 2024

	Note	2024 US$'000	2023 US$'000
Revenue	4	26,313	24,506
Other income	5	4,261	2,990
Expenses			
Amortisation and depreciation	9, 10	2,356	2,237
Allowance for expected credit losses	12	50	36
Business development and marketing expenses		494	176
Professional fees		1,123	519
Project development and service fees		375	523
Inventory and data cost		17,289	17,714
Rental expenses relating to short-term leases		68	21
Salaries and employee benefits	6	4,906	3,154
Finance cost		2,197	838
Other expenses	7	1,069	952
		29,927	26,170
Profit before tax		647	1,326
Income tax expense	8	175	219
Profit after tax, representing total comprehensive income for the year		472	1,107

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

Affle International Pte. Ltd.

Balance sheet
As at 31 March 2024

	Note	2024 US$'000	2023 US$'000
Non-current assets			
Plant and equipment	9	20	15
Intangible assets	10	12,236	12,638
Investment in subsidiaries	11	117,105	69,101
Other receivables	12	–	25
		129,361	81,779
Current assets			
Trade and other receivables	12	9,730	3,058
Accrued revenue	4	554	950
Prepayment		264	130
Cash and fixed deposits	13	37,219	4,596
		47,767	8,734
Total assets		177,128	90,513
Current liabilities			
Trade and other payables	14	30,891	20,085
Loans and borrowings	15	14,754	5,951
Provision for tax		126	182
		45,771	26,218
Net current assets/ (liabilities)		1,996	(17,484)
Non-current liabilities			
Other payables	14	6,333	8,044
Loans and borrowings	15	29,109	5,872
Deferred tax liabilities		298	318
		35,740	14,234
Total liabilities		81,511	40,452
Net assets		95,617	50,061

Affle International Pte. Ltd.

Balance sheet
As at 31 March 2024

	Note	2024 US$'000	2023 US$'000
Equity			
Share capital	16	81,750	36,750
Other reserves	17	387	303
Retained earnings		13,480	13,008
Total equity		95,617	50,061
Total equity and liabilities		177,128	90,513

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

Affle International Pte. Ltd.

Statement of changes in equity
For the financial year ended 31 March 2024

	Share capital (Note 16) US$'000	Other reserve (Note 17) US$'000	Retained earnings US$'000	Total equity US$'000
As 1 April 2023	36,750	303	13,008	50,061
Profit for the year, representing total comprehensive income for the financial year	–	–	472	472
Grant of equity-settled share options	–	84	–	84
Contributions by owners				
Issuance of new ordinary shares in May 2023	12,000	–	–	12,000
Issuance of new ordinary shares in February 2024	33,000	–	–	33,000
As at 31 March 2024	81,750	387	13,480	95,617
As 1 April 2022	28,750	94	11,901	40,745
Profit for the year, representing total comprehensive income for the financial year	–	–	1,107	1,107
Grant of equity-settled share options	–	209	–	209
Contributions by owners				
Issuance of new ordinary shares in June 2022	3,000	–	–	3,000
Issuance of new ordinary shares in February 2023	5,000	–	–	5,000
As at 31 March 2023	36,750	303	13,008	50,061

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

Affle International Pte. Ltd.

Cash flow statement
For the financial year ended 31 March 2024

	Note	2024 US$'000	2023 US$'000
Cash flows from operating activities			
Profit before tax		647	1,326
Adjustments for:			
Interest income	5	(445)	(133)
Share-based payments	6	84	209
Depreciation of plant and equipment	9	9	10
Amortisation of intangible assets	10	2,347	2,227
Allowance for expected credit losses	12	50	36
Gain on remeasurement on contingent consideration	5, 19	(157)	(305)
Finance cost		2,197	838
Bad debts written off		4	1
Write off of other receivables	7	–	50
Write off of contingent liabilities	5	(40)	–
Unrealised exchange gain		7	(23)
Operating cash flows before changes in working capital		4,703	4,236
Decrease/(increase) in accrued revenue		396	(320)
(Increase)/decrease in trade and other receivables		(6,131)	3,808
Increase in deposits		(153)	(43)
(Increase)/decrease in prepayments		(134)	97
Increase in trade and other payables		9,619	1,706
Cash flows from operations		8,300	9,484
Interest received		26	134
Interest expense paid		(1,737)	(838)
Income tax paid		(250)	(111)
Net cash flows generated from operating activities		6,339	8,669
Cash flows from investing activities			
Purchases of plant and equipment	9	(14)	(13)
Additions to intangible assets	10	(1,945)	(1,831)
Net cash outflows on acquisition of subsidiaries	11	(48,811)	(5,150)
Increased in fixed deposits		(26,000)	–
Net cash flows used in investing activities		(76,770)	(6,994)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	17	45,000	8,000
Proceeds from term loans	15	53,000	5,000
Repayment of term loans	15	(20,949)	(11,885)
Net cash flows generated from financing activities		77,051	1,115
Net increase in cash and cash equivalents		6,620	2,790
Cash and cash equivalents at beginning of year		4,596	1,798
Effect of exchange rate changes on cash and cash equivalents		3	8
Cash and cash equivalents at end of year	13	11,219	4,596

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

1. Corporate information

Affle International Pte. Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 100 Pasir Panjang Road, #06-07, Singapore 118518.

The Company is a wholly-owned subsidiary of Affle India Limited, incorporated in India. The ultimate holding company is Affle Holdings Pte. Ltd., incorporated in Singapore. Related companies in these financial statements refer to subsidiaries of Affle Holdings Pte. Ltd.

The principal activity of the Company is rendering service through Mobile Audience As a Service ("MAAS") platform ("the Platform"). The Platform uses cloud-based audience algorithms to build, promote and monetise mobile assets for our customers. There have been no significant changes in the nature of these activities during the financial period.

2. Summary of material accounting policy information

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US$") except when otherwise indicated. The Company's functional currency is USD.

2.2 *Standards issued but not yet effective*

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

Description	***Effective for annual periods beginning on or after***
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21: Lack of Exchangeability	1 January 2025
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2. Summary of material accounting policy information (cont'd)

2.3 *Foreign currency*

The financial statements are presented in USD, which is also the Company's functional currency. The Company determines its own functional currency and items included in the financial statements are measured using that functional currency.

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

2.4 *Plant and equipment*

Property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Computers	-	3 years

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2. Summary of material accounting policy information (cont'd)

2.5 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Capitalised development costs are recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the capitalised development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Capitalised development costs are amortised on a straight line basis over the estimated useful economic life of 4 years. Capitalised development costs are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

2. Summary of material accounting policy information (cont'd)

2.6 *Impairment of non-financial assets*

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

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

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

2.7 *Subsidiary*

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

2.8 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The financial statements of the subsidiary has not been consolidated with that of the Company as the Company is itself a wholly-owned subsidiary of a company incorporated in Singapore. The financial statements of the Company and its subsidiaries have been consolidated with the financial statements of its holding company, Affle Holdings Pte. Ltd., whose registered office is at 100 Pasir Panjang Road #06-07, Singapore 118518.

(b) Business combinations and goodwill

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

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

2. Summary of material accounting policy information (cont'd)

2.8 *Basis of consolidation and business combinations (cont'd)*

(b) Business combinations and goodwill (cont'd)

Non-controlling interest in the acquire, that are present ownership interests and entitled their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Company's cash-generating units that are expected to benefit from the synergies of the combination.

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

2.9 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

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

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

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

2. Summary of material accounting policy information (cont'd)

2.9 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

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

(ii) 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 derecognised.

(iii) Fair value through profit or loss

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 instruments 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.

<u>Investment in equity instruments</u>

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income or are held for trading, changes in fair value are recognised in profit or loss. Dividend income from the Company's investments in equity instruments is presented separately in profit or loss from the net fair value gain or loss on such investments.

2. Summary of material accounting policy information (cont'd)

2.9 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.10 *Impairment of financial assets*

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

2. Summary of material accounting policy information (cont'd)

2.10 *Impairment of financial assets (cont'd)*

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

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits.

2.12 *Provisions*

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

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

2.13 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

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

2. Summary of material accounting policy information (cont'd)

2.14 *Employee benefits*

(a) Defined contribution plan

The Company participates in the national pension schemes as defined by the law in Singapore. The Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

(c) Employee share option plans

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments of intermediate holding company, Affle (India) Limited, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

<u>Equity-settled transactions</u>

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payments ("SBP") reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

2. Summary of material accounting policy information (cont'd)

2.14 *Employee benefits (cont'd)*

(c) Employee share option plans (cont'd)

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.15 *Leases*

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

As lessee

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

(a) Right-of-use assets

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

If ownership of leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, deprivation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

2. Summary of material accounting policy information (cont'd)

2.15 *Leases (cont'd)*

As lessee (cont'd)

(b) Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are 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 Company 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.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition to not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

2.16 *Revenue*

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

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

2. Summary of material accounting policy information (cont'd)

2.16 *Revenue (cont'd)*

(a) Services rendered for mobile assets

Revenue from services rendered for mobile assets is recognised on accrual basis upon rendering of services based on the terms of the contracts. In terms of contracts, excess/shortfall of revenue over the billed as at the period-end is carried in financial statement as gross amount due from/to customers for contract work-in-progress.

(b) Software licensing

Revenue from software licensing is recognised on an accrual basis upon rendering of services to its intercompanies based on the terms of the agreements for the usage of the Affle's platforms which was developed by the Company.

(c) Interest income

Interest income is recognised using the effective interest method.

2.17 *Taxes*

(a) Current income tax

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

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

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of material accounting policy information (cont'd)

2.17 *Taxes (cont'd)*

(b) Deferred tax (cont'd)

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

(c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

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

2. Summary of material accounting policy information (cont'd)

2.18 *Share capital*

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

2.19 *Contingencies*

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) A present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

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

3. Significant accounting judgements and estimates (cont'd)

3.1 *Judgements made in applying accounting policies (cont'd)*

(a) Impairment assessments of non-financial assets

Impairment exists when indicators are identified that indicate that the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. Factors that the Company considers in deciding when to perform an impairment review include, but are not limited to significant under-performance of a business or product line in relation to expectations, significant negative industry or economic trends, and significant planned changes in the use of the CGU.

The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. Historically, the Company's asset impairment analyses have utilised a value in use model. When preparing a value in use model, the Company makes subjective judgments in determining the independent cash flows that can be related to a specific CGU based on its asset usage model and manufacturing capabilities in addition to the discount rate used in the value in use computation.

Goodwill is tested for impairment annually and whenever there is an indication that they may be impaired.

The recoverable amounts of each CGU to which goodwill belong to, have been determined based on value in use calculations. The determination of the recoverable amounts requires significant estimation by management, particularly management's view of key internal inputs and external market conditions which impacts the forecasted net profit margins, discount rates and growth rates which are the key assumptions underlying the estimate of the future cash flows and deriving the recoverable amounts. Management has also considered its past performance in developing its estimates.

The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 10 to the financial statements.

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty*

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

(a) Provision for expected credit losses of trade receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 12.

The carrying amount of trade receivables at the end of the reporting period is disclosed in Note 12.

(b) Development cost

Development costs are capitalised in accordance with the accounting policy in Note 2.5. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. As at 31 March 2024, the carrying amount of development costs capitalised at the end of the reporting period was US$5,103,000 (2023: US$5,397,000).

4. Revenue

(a) Disaggregation of revenue

	2024 US$'000	2023 US$'000
Services rendered for mobile assets	23,752	22,851
Software licensing	2,561	1,655
	26,313	24,506
Timing of transfer of goods or services		
At a point in time	25,950	23,943
Over time	363	563
	26,313	24,506

During the year ended 31 March 2024, Chief Operating Decision Maker of the Company reviews the performance of the Affle Group on a consolidated basis, considering the fact that operating platforms of the Affle Group are inter-operable globally and across customers or vendors. The Affle Group considers entire operations related to consumer platform stack as a single operating segment.

(b) Contract balances

Information about contract balances is disclosed as follows:

	Note	2024 US$'000	2023 US$'000
Receivables from contracts with customers	12	1,224	1,341
Accrued revenue		554	950
Advance from customers	14	130	23

Accrued revenue relates to completed services rendered for mobile assets that has yet to be billed to customers.

4. Revenue (cont'd)

(b) Contract balances (cont'd)

Advance from customers is recorded when amounts received from customers are in excess of revenue that can be recognised because performance obligations have not been satisfied and control of the promised products or services has not transferred to the customer.

(i) Significant changes in accrued revenue are explained as follows:

	2024 US$'000	**2023** US$'000
Accrued revenue reclassified to receivables	950	630

(ii) Significant changes in advances from customers are explained as follows:

	2024 US$'000	**2023** US$'000
Revenue recognised that was included in the advances from customers balance at the beginning of the year	23	171

The Company has applied the practical expedient not to disclose information about its remaining performance obligation as the contracts have an original expected duration of less than a year.

5. Other income

	2024 US$'000	**2023** US$'000
Gain on remeasurement of contingent consideration (Note 19)	157	305
Government grants	–	4
Service fees charged to subsidiaries	2,559	1,986
Interest income	445	133
Referral income from subsidiary	1,035	549
Write off of contingent liabilities	40	–
Others	25	13
	4,261	2,990

5. Other income (cont'd)

Jobs Growth Incentive

The Jobs Growth Incentive ("JGI") was introduced in the Budget 2022 to support employers to expand local hiring from September 2021 to September 2023 (inclusive) in four phases. The duration of JGI support will depend on when the local hire was hired and the characteristic of the local hire (e.g., age).

During the financial year ended 31 March 2024, the Company recognised government grants under the JGI of US$ nil (2023: US$3,624) as other income in profit or loss.

6. Salaries and employee benefits

	2024 US$'000	**2023** US$'000
Salaries and bonuses	4,397	2,697
Share-based payments (Note 17)	84	209
Defined contribution plan	226	167
Other short-term benefits	199	81
	4,906	3,154

7. Other expenses

	2024 US$'000	**2023** US$'000
Research and development costs	96	119
Recruitment fees	21	25
Licensing fee	465	135
Interest on other payables	137	235
Net foreign exchange loss	31	4
Write off of other receivables	–	50
Travelling expense	142	77
Others	177	307
	1,069	952

8. Income tax expense

Major components of income tax expense

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

	2024 US$'000	2023 US$'000
Statement of comprehensive income		
Current income tax:		
Current income taxation	126	198
Underprovision in respect of previous years	69	44
	195	242
Deferred income tax:		
Origination and reversal of temporary differences	(20)	(23)
Income tax expense recognised in profit or loss	175	219

Relationship between tax expense and accounting profit

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

	2024 US$'000	2023 US$'000
Profit before tax	647	1,326
Tax calculated at a tax rate of 17% (2023: 17%)	110	225
Effects of:		
Non-deductible expenses	35	381
Income not subject to tax	(27)	(51)
Tax effect of partial tax exemption and tax relief	(13)	(13)
Under provision in respect of previous years	69	44
Deferred tax assets not recognised	–	(350)
Others	1	(17)
Income tax expense recognised in profit or loss	175	219

At the end of the reporting period, the Company has unutilised capital allowance of US$2,223,000 (2023: US$2,223,000) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the country in which the Company operates.

9. Plant and equipment

	Computers US$'000
Cost	
At 1 April 2022	36
Addition	13
At 31 March 2023 and 1 April 2023	49
Addition	14
Disposal	(11)
At 31 March 2024	52
Accumulated depreciation	
At 1 April 2022	24
Depreciation charge for the year	10
At 31 March 2023 and 1 April 2023	34
Depreciation charge for the year	9
Disposal	(11)
At 31 March 2024	32
Net carrying amount	
At 31 March 2024	20
At 31 March 2023	15

10. Intangible assets

	Internally generated software US$'000	Non-compete US$'000	Software US$'000	Goodwill US$'000	Total US$'000
Cost					
At 1 April 2022	16,153	261	917	7,133	24,464
Addition	1,831	–	–	–	1,831
At 31 March 2023 and 1 April 2023	17,984	261	917	7,133	26,295
Addition	1,945	–	–	–	1,945
At 31 March 2024	19,929	261	917	7,133	28,240
Accumulated amortisation					
At 1 April 2022	10,620	130	680	–	11,430
Amortisation for the year	1,967	66	194	–	2,227
At 31 March 2023 and 1 April 2023	12,587	196	874	–	13,657
Amortisation for the year	2,239	65	43	–	2,347
At 31 March 2024	14,826	261	917	–	16,004
Net carrying amount					
At 31 March 2024	5,103	–	–	7,133	12,236
At 31 March 2023	5,397	65	43	7,133	12,638

Internally generated software

As a global data and audience centric end-to-end mobile apps and ad services platform company, the integrated technology platform focuses on delivering brand and commerce campaigns for our customers.

The Company capitalises certain internal software development costs primarily consists of salaries and manpower related cost for development employees which are associated with creating the internally developed software. Additional expenses include outsourcing costs and other related overhead.

10. Intangible assets (cont'd)

Non-compete

Non-competition agreements are entered into upon acquisition of a subsidiary, Affle Iberia, S.L. (formerly known as Mediasmart Mobile S.L.,) to limit its' employees ability to compete with the Company. Non-compete is recognised as an intangible asset as of the acquisition date at its estimated fair value. Non-compete is amortised on a straight-line basis over 4 years as of acquisition date.

Goodwill

Goodwill arose from the acquisition of Vizury in 2019, and from the acquisition of Shoffr and RevX in 2020.

Impairment testing of goodwill

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the following assumptions:

- Net profit margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Net profit margins - Net profit margins are based on average values achieved in the two years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings that the Company would be obliged to service.

Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates - Rates are based on average values achieved in the two years preceding the beginning of the budget period.

Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions.

No impairment loss was recognised for the carrying amount of goodwill assessed as at 31 March 2024 and as at 31 March 2023 as the recoverable amount of the CGU was in excess of the carrying value.

11. Investment in subsidiaries

Details of subsidiaries held by the Company as at 31 March:

	2024 US$'000	**2023** US$'000
Shares, at cost	117,105	69,101

Name	**Country of incorporation**	**Principal activities**	**Proportion (%) of ownership interest** 2024	2023
Held by the Company:				
PT Affle Indonesia	Indonesia	Product development for mobile software & technology	100	100
Affle MEA FZ-LLC	United Arab Emirates	Product development for mobile software & technology	100	100
Affle Iberia, S.L. (formerly known as Mediasmart Mobile S.L.)	Spain	Product development for mobile software & technology	100	100
Appnext Pte. Ltd.	Singapore	Product development for mobile software & technology	99.3	95
Appnext Technologies Limited	Israel	Product development for mobile software & technology	100	100
Jampp (Ireland) Limited	Ireland	Advertising, Public Relations, and Related Services Industry	100	100
Affle Inc. (formerly known as YouAppi Inc.)	United States of America	Global gaming focused programmatic mobile app marketing platform	100	–

<u>Investment in Affle MEA FZ-LLC</u>

During the year, the Company has increased the share capital in Affle MEA FZ-LLC and subscribed 5,505 additional shares issued during the year amounting to US$1,504,098.

<u>Investment in Affle Iberia, S.L. (formerly known as Mediasmart Mobile S.L)</u>

On 28 February 2020, the Company acquired 100% equity interest in Mediasmart Mobile S.L. for a purchase consideration of US$4,699,507, out of which US$3,370,836 has been paid in cash during the financial year 2020. During the financial year, US$634,529 (2023: US$269,885) has been settled.

As at 31 March 2024, short-term portion payable within one year amounting to US$ 103,497 (2023: US$302,817) and long-term portion amounting to NIL (2023: US$692,176) have been recognised in other payables (Note 14) respectively.

11. Investment in subsidiaries (cont'd)

Investment in Appnext Pte. Ltd.

On 8 June 2020, the Company acquired 66.67% equity interest in Appnext Pte. Ltd. for a purchase consideration of US$16,450,000, out of which US$14,700,000 has been paid as at the acquisition date. The remaining purchase consideration of US$1,750,000 has been paid in full during the previous financial year. However, the 66.67% equity interest avail the Company voting rights as a shareholder of Appnext Pte. Ltd. Appnext Pte. Ltd. also entitles the Company options to acquire the remaining 28.33% and 5% equity interest within 3 years and 5 years respectively from the closing of the Share Purchase Agreement ("SPA"). Since the Company has highly anticipated the contingent consideration to incur, the fair value of the additional consideration payable amounting to US$8,030,012 as at the acquisition date had been included in the investment in subsidiaries as at 31 March 2020.

On 4 February 2022, the Company has entered into the sales and purchase agreement with selling shareholders, Appnext Limited, Elad Natanson and Eran Kariti for the acquisition of 5,566 ordinary shares, which represents 28.33% of equity interest in Appnext Pte. Ltd. During the financial year, US$5,150,000 (2023: NIL) has been fully settled.

On 7 August 2023, the Company had entered into definitive agreement(s) to acquire balance 5% shares in Appnext Pte. Ltd. for a consideration of US$1,500,080, payable over a period of three years from the date of first completion of the SPA with selling shareholders, Elad Natanson and Eran Kariti for the acquisition of 1,000 ordinary shares, which represents 5% of equity interest in Appnext Pte. Ltd for a purchase consideration of US$ 1,500,080. Out of 1,000 ordinary shares, 860 ordinary shares, which represent 4.3% of equity interest in Appnext Pte. Ltd was acquired for a purchase consideration of US$225,080 and settled in cash during the financial year. Such 5% shares, at the time of initial acquisition of Appnext.

As part of the purchase agreement with Eran Kariti, the company agreed to acquire the remaining 140 ordinary shares for a purchase consideration of US$1,275,000, which represents 0.7% of equity interest in Appnext Pte. Ltd not later by 31 July 2026.

Investment in Jampp (Ireland) Limited

On 8 June 2021, the Company acquired 100% equity interest in Jampp (Ireland) Limited for a purchase consideration of US$40,090,330, out of which US$24,265,658 has been paid in cash as at the acquisition date. The acquisition was completed on 1 July 2021.

As part of the SPA signed between the Company and shareholders of Jampp, a contingent incremental consideration of US$15,000,000 was agreed and the same was payable to the assigned employees and Founders of Jampp, as identified in the SPA, on the basis of actual performance of the Jampp Group in the three financial years starting from 1 April 2021 as per GAAP and IFRS. The conditions primarily included: 1) Continuous employment of Founders; and 2) Achievement of certain Growth Target which includes gross Revenue, Net Revenue and Net Revenue margin range. First tranche of contingent incremental consideration of US$7,500,000 was paid during financial year ended 31 March 2023. However, the Company has now filed a recovery claim of the same on account of ongoing arbitration between Company and the erstwhile Founders of Jampp around the termination of employment and other counter claims around breach of fiduciary duties. The remaining amount of contingent incremental consideration of US$5,990,804 has been retained as liability payable to the assignees at the discretion of the Company.

11. Investment in subsidiaries (cont'd)

Investment in Jampp (Ireland) Limited (cont'd)

The acquisition-related costs of US$257,143 were directly attributable to the business acquisition and are included in the cost of investment in subsidiary. During the financial year ended 31 March 2023, the purchase price allocation of Jampp (Ireland) Limited is finalized and the purchase consideration is revised to US$39,651,200. Consequently, other payables of US$184,454 have been reversed in relation to the decrease in investment in Jampp (Ireland) Limited. During the financial year, US$1,859,458 (2023: US$7,119,118) has been settled.

As at 31 March 2024, short-term portion payable within one year amounting to US$ 507,900 (2023: US$380,884) and long-term portion amounting to US$ 7,470,080 (2023: US$7,351,588) have been recognised in other payables (Note 14) respectively.

Investment in Affle Inc. (formerly known as YouAppi Inc.)

On 24 May 2023, the Company had entered into definitive SPA to acquire 100% shares and control in Affle Inc. (formerly known as YouAppi Inc) for a consideration of US$45,000,000, including contingent incremental consideration of US$9,000,000 payable after one year from the date of completion of SPA, out of which US$35,437,500 and US$4,000,000 has been paid in cash on 30 May 2023 and 4 March 2024 respectively. The remaining balance will be expected to pay by July 2024. All the approvals to enter into the SPA, from the Company and Affle Inc. were obtained by 5 May 2023 post which the Company had control. However, the completion of the SPA was delayed till 31 May 2023 due to administrative reasons. As per FRS 27, financial statements has been done from 1 May 2023 for convenience. The contingent incremental consideration as part of business combination has been recognized as earn-out liabilities at fair value, as management anticipates that the necessary conditions will be met by that time.

12. Trade and other receivables

	2024 US$'000	**2023** US$'000
Current		
Trade receivables:		
Trade receivables from third parties	1,735	1,802
Amount due from ultimate holding company (trade)	4	–
Amount due from immediate holding company (trade)	4,527	1,105
Amount due from subsidiaries (trade)	2,362	452
	8,628	3,359
Other receivables:		
Amount due from ultimate holding company (non-trade)	77	–*
Amount due from immediate holding company (non-trade)	408	–
Amount due from subsidiaries (non-trade)	276	20
Deposits	293	140
Other receivables	559	–
	10,241	3,519
Allowance for expected credit losses	(511)	(461)
	9,730	3,058
Non-current		
Other receivables	–	25
Total trade and other receivables (current and non-current)	9,730	3,083
Add: Cash and fixed deposits (Note 13)	37,219	4,596
Less: Sales tax receivables	113	–
Total financial assets carried at amortised cost	46,836	7,679

* Amount is less than US$1,000.

<u>Trade receivables</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

12. Trade and other receivables (cont'd)

Amounts due from ultimate holding company, immediate holding company and subsidiaries

Amounts due from ultimate holding company, immediate holding company and subsidiaries (trade and other receivables) are non-interest bearing, unsecured and repayable upon demand.

Trade and other receivables denominated in foreign currency at 31 March are as follows:

	2024 US$'000	2023 US$'000
Euro Dollar	24	26
Malaysia Ringgit	401	273
Singapore Dollar	4	52
British Pound	–	29

Allowance for expected credit losses

The movement in allowance for expected credit losses of trade receivables and other receivables computed based on lifetime ECL is as follows:

	2024 US$'000	2023 US$'000
Movement in allowance accounts:		
At 1 April	461	425
Allowance for expected credit losses	50	36
At 31 March	511	461

Credit risk exposure on trade receivables using a provision matrix

31 March 2024			Days past due			
	Current US$'000	< 30 days US$'000	> 31 to 60 days US$'000	> 61 to 90 days US$'000	> 90 days US$'000	Total US$'000
Carrying amount of trade receivables	785	68	32	35	815	1,735
Expected credit loss	25	–	–	–	486	511

31 March 2023			Days past due			
	Current US$'000	< 30 days US$'000	> 31 to 60 days US$'000	> 61 to 90 days US$'000	> 90 days US$'000	Total US$'000
Carrying amount of trade receivables	599	316	102	–	785	1,802
Expected credit loss	–	–	–	–	461	461

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

13. Cash and fixed deposits

	2024 US$'000	**2023** US$'000
Cash at bank	1,219	4,596
Fixed deposits	36,000	–
	37,219	4,596

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 5.6% to 5.9% (2022: nil) per annum for a tenure ranging from 2 months to 1 year.

Cash and cash equivalents denominated in foreign currency at 31 March are as follows:

	2024 US$'000	**2023** US$'000
Singapore Dollar	234	258
Euro Dollar	112	315
British Pound	–	15

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	2024 US$'000	**2023** US$'000
Cash and fixed deposits	37,219	4,596
Less: Fixed deposits with maturity more than 3 months	26,000	–
Cash and cash equivalents	11,219	4,596

14. Trade and other payables

	2024 US$'000	**2023** US$'000
Current		
Trade payables:		
Trade payables to third parties	3,021	2,719
Amount due to immediate holding company (trade)	770	–
Amount due to subsidiaries (trade)	14,892	4,060
	18,683	6,779
Other payables:		
Amount due to related company (non-trade)	274	678
Amount due to subsidiaries (non-trade)	2,679	4,434
Amount due to immediate holding company (non-trade)	1,144	382
Advance payment from customers	130	23
Accruals	412	1,640
Other payables	7,569	6,149
	30,891	20,085
Non-current		
Other payables	6,333	8,044
Total trade and other payables	37,224	28,129
Add: Loans and borrowings – current (Note 15)	14,754	5,951
Add: Loans and borrowings – non-current (Note 15)	29,109	5,872
Less: Sales tax payables	–	(85)
Total financial liabilities carried at amortised cost	81,087	39,867

<u>Trade payables</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

<u>Amount due to immediate holding company, subsidiaries and related companies</u>

Amount due to immediate holding company, subsidiaries and related companies (trade and other payables) are non-interest bearing and are repayable upon demand.

Trade and other payables denominated in foreign currency at 31 March are as follows:

	2024 US$'000	**2023** US$'000
Singapore Dollar	124	268
Euro Dollar	–	321
Malaysian Ringgit	–	27
Chinese Yuan	–	45

15. Loans and borrowings

	Maturity	2024 US$'000	2023 US$'000
Current			
Intercompany borrowings	On demand	3,000	–
Bank borrowings	June 2024	350	2,050
Bank borrowings	June 2025	2,000	2,000
Bank borrowings	July 2025	1,600	1,601
Bank borrowings	March 2026	304	300
Bank borrowings	March 2027	7,500	–
		14,754	5,951
Non-current			
Bank borrowings		–	350
Intercompany borrowings	On demand	20,000	–
Bank borrowings	June 2025	500	2,500
Bank borrowings	July 2025	798	2,398
Bank borrowings	March 2026	311	624
Bank borrowings	March 2027	7,500	–
		43,863	11,823

The term loan from Affle (India) Limited at the reporting date is unsecured and repayable on demand with an interest rate of 1-month SOFR + 1.70% per annum. The Company has obtained confirmation from Affle (India) Limited that Affle (India) Limited will not request for repayment in the next twelve months for the borrowings amounting to US$20,000,000.

The term loans from Axis Bank at the reporting date are secured and fully repayable by June 2024 and July 2025 with 15 instalments at the interest rate of 1-month LIBOR + 1.50% - 3.00% per annum (2023: 1-month LIBOR + 1.50% - 3.00% per annum). These term loans are obtained to fund the acquisition of Jampp (Ireland) Limited and Appnext Pte. Ltd. during the previous financial year.

During the year, the Company has secured a new term loan from Axis Bank at the reporting date are secured and fully repayable by March 2027 with 9 instalments at the interest rate of 1-month SOFR +1.75% per annum. This term loan is obtained to fund the acquisition of Affle Inc. (formerly known as YouAppi Inc.) during the financial year.

The term loan from DBS Bank Ltd at the reporting date is secured and repayable monthly with a loan tenure of 60 months and interest rate of 2.5% per annum from respective drawdown dates. The loan will be fully repaid by March 2026.

The term loan from HDFC Bank at the reporting date is secured and repayable monthly with a loan tenure of 49 months and interest rate of 1-month LIBOR + 1.60% per annum from respective drawdown dates. The loan will be fully repaid by June 2025.

15. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities are as follows:

	As at 1 April 2023	**Cash flows**	**Repayment**	**Non-cash changes: Accretion of interest**	**Non-cash changes: Others**	**As at 31 March 2024**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Term loans (excluding interest)	11,823	53,000	(20,949)	–	(11)	43,863

	As at 1 April 2022	**Cash flows**	**Repayment**	**Non-cash changes: Accretion of interest**	**Non-cash changes: Others**	**As at 31 March 2023**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Term loans (excluding interest)	18,690	5,000	(11,885)	–	18	11,823

The "Others" column relates to effect of loan discounting, derecognition of financial asset measured at fair value through profit or loss, reclassification of non-current portion of lease liabilities due to passage of time, adjustment of interest rate and foreign exchange differences.

16. Share capital

	2024		**2023**	
	No. of shares	US$'000	No. of shares	US$'000
Issued and fully paid ordinary shares				
At 1 April	2,630,587	36,750	2,395,913	28,750
Issuance of new ordinary shares in June 2022	–	–	98,879	3,000
Issuance of new ordinary shares in February 2023	–	–	135,795	5,000
Issuance of new ordinary shares in May 2023	630,583	12,000	–	–
Issuance of new ordinary shares in Feb 2024	1,734,104	33,000	–	–
At 31 March	4,995,274	81,750	2,630,587	36,750

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

17. Other reserves

Other reserves represent the equity settled stock options granted to employees by its intermediate holding company, Affle (India) Limited.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year.

	2024 No. of share options	**2024** WAEP INR	**2023** No. of share options	**2023** WAEP INR
Outstanding at 1 April	264,292	1,050	269,652	1,050
Granted	5,548	1,127	–	–
Forfeited	(10,716)	1,050	(5,360)	1,050
Exercised	(63,394)	1,050	–	–
Outstanding at 31 March	195,730	1,052	264,292	1,050

The weighted average fair value of options granted during the previous financial year was INR 335. The exercise price for options outstanding at the end of the year is INR 1,052 (2023: INR 1,050). No options were granted or exercised during the year. An expense relating to grant of equity-settled share option of US$ 84,000 (2023: US$209,000) was recognised in salaries and employee benefits expense (Note 6) during the year.

Fair value of share options granted

The fair value of the share options granted as at the date of grant is estimated using the Black-Scholes Model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the models for the financial year ended 31 March 2024 and 31 March 2023:

	2024	**2023**
Dividend yield (%)	–	–
Expected volatility (%)	28.9% - 44.9%	31.0% - 35.0%
Risk-free rate (% per annum)	6.8%- 6.9%	4.4% - 5.5%
Expected life of option (years)	1.5 – 4.5	2.0 - 4.5
Weighted average share price (INR)	1,064.58	1,058.30

18. Related party transactions

(a) Sales and purchase of services

Other than the related party information disclosed elsewhere in the financial statements, the following are transactions between the Company and related parties during the financial year:

	2024 US$'000	**2023** US$'000
Service provided to subsidiaries	(17,103)	(10,709)
Service provided to immediate holding company	(491)	(471)
Service received from immediate holding company	393	497
Service received from ultimate holding company	40	40
Service received from related company	6	–
Recharge of manpower cost from immediate holding company	954	624
Recharge of manpower cost from related company	676	377
Recharge of manpower cost from subsidiaries	492	162
Recharge of manpower cost to ultimate holding company	(90)	(96)
Recharge of manpower cost to subsidiaries	(2,361)	(1,402)

(b) Key management personnel compensation

Key management personnel compensation are as follows:

	2024 US$'000	**2023** US$'000
Salaries and bonuses	50	50
Grant of equity-based share options	23	55
	73	105

19. Capital commitments

(a) In 2021, the Company had entered into contingent payment arrangements with selling shareholders, Noelia Amoedo Casqueiro and Noedeom S.L., which are expected to be settled between financial years 2022 to 2025. US$634,000 (2023: US$295,000) has been paid during the financial year. A gain on remeasurement of contingent consideration of US$157,000 (2023:US$305,000) (Note 5) has been recognised during the year.

	2024 US$'000	**2023** US$'000
Contingent payment arrangements	103	884
	103	884

The consideration payable amounting to US$103,000 (2023: US$884,000) is recorded within trade and other payables as at 31 March 2024.

19. Capital commitments (cont'd)

(b) In 2021, the Company had committed to settle consideration of US$16,450,000 for an equity stake of 66.67% in an acquired subsidiary, Appnext Pte. Ltd. The Company has settled the consideration in full during the previous financial year.

The Company had also entered into contingent payment arrangements with selling shareholders, Appnext Limited, Elad Natanson and Eran Kariti, which are expected to be settled between financial years 2023 and 2024. During the financial year, US$5,150,000 (2023: US$ Nil) has been paid.

As part of the purchase agreement with Eran Kariti, the company agreed to acquire the remaining 140 ordinary shares for a purchase consideration of US$1,275,000, which represents 0.7% of equity interest in Appnext Pte. Ltd not later by 31 July 2026.

	2024	**2023**
	US$'000	US$'000
Contingent payment arrangements	1,275	5,171
	1,275	5,171

The consideration payable amounting to US$1,275,000 (2023: US$5,171,000) is recorded within trade and other payables as at 31 March 2024.

(c) In the previous financial year, the Company has entered into contingent payment arrangements with previous Jampp founders and other shareholders, investor shareholders, founder shareholders and their assigns, which are subject to annual review and payment. During the financial year, US$1,859,458 (2023: US$7,119,118) has been paid.

	2024	**2023**
	US$'000	US$'000
Contingent payment arrangements	5,926	7,733
	5,926	7,733

The consideration payable amounting to US$5,926,000 (2023: US$7,733,000) is recorded within trade and other payables as at 31 March 2024.

19. Capital commitments (cont'd)

(d) In the financial year, the Company has entered into contingent payment arrangements with selling shareholder, Affle Inc. (formerly known as YouAppi Inc), which are expected to be settled between financial years 2024 and 2025. During the financial year, US$39,437,500 has been paid.

	2024 US$'000	**2023** US$'000
Contingent payment arrangements	5,563	–
	5,563	–

The consideration payable amounting to US$5,563,000 is recorded within trade and other payables as at 31 March 2024.

20. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate of fair value

Cash and fixed deposits, trade and other receivable, trade and other payables, amount due from/(to) related companies/subsidiaries/immediate holding company/ultimate holding company based on their notional amounts, reasonably approximate their fair value due to their short-term nature. Management has assessed and determined the difference between fair value and carrying value of non-current payables to be not significant.

21. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. Throughout the current financial year, the Company did not engage in speculative activities.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and fixed deposits), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counterparties that are of acceptable credit quality. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

21. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements. No other financial assets carry a significant exposure to credit risk.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the outstanding trade and other receivables and cash and fixed deposits as disclosed in Note 12 and 13 respectively.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Analysis of financial instrument by remaining contractual maturities

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

	One year or less US$'000	**One year or more** US$'000	**Total** US$'000
2024			
Financial assets:			
Trade and other receivables	9,617	–	9,617
Cash and fixed deposits	37,219	–	37,219
Total undiscounted financial assets	46,836	–	46,836
Financial liabilities:			
Trade and other payables	30,891	6,363	37,254
Loans and borrowings	15,870	29,483	45,353
Total undiscounted financial liabilities	46,761	35,846	82,607
Total net undiscounted financial assets/(liabilities)	75	(35,846)	(35,771)

21. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instrument by remaining contractual maturities (cont'd)

	One year or less US$'000	**One year or more** US$'000	**Total** US$'000
2023			
Financial assets:			
Trade and other receivables	3,058	25	3,083
Cash and fixed deposits	4,596	–	4,596
Total undiscounted financial assets	7,654	25	7,679
Financial liabilities:			
Trade and other payables	20,085	8,044	28,129
Loans and borrowings	7,175	11,743	18,918
Total undiscounted financial liabilities	27,260	19,787	47,047
Total net undiscounted financial liabilities	(19,606)	(19,762)	(39,368)

(c) Foreign currency risk

The Company is exposed to foreign currency risk on sales and expenses that are denominated in other currencies. The currencies giving rise to this risk are primarily the Singapore Dollar (SGD), Malaysia Ringgit (MYR), Euro Dollar (Euro), British Pound (GBP) and Chinese Yuan (RMB). The Company also holds cash and fixed deposits denominated in foreign currency for working capital purposes.

21. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in the SGD, MYR, GBP, RMB and EUR exchange rates against the Company's functional currency, with all other variables held constant.

	Increase/(decrease) Profit before tax 2024	**Increase/(decrease) Profit before tax 2023**
	US$'000	US$'000
SGD		
- strengthened 5%	6	3
- weakened 5%	(6)	(3)
MYR		
- strengthened 5%	20	12
- weakened 5%	(20)	(12)
EUR		
- strengthened 5%	4	1
- weakened 5%	(4)	(1)
GBP		
- strengthened 5%	–	2
- weakened 5%	–	(2)
RMB		
- strengthened 5%	4	(2)
- weakened 5%	(4)	2

22. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company relies on its ultimate holding company to provide continuing financial support to enable the Company to repay its obligation as and when they fall due.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

23. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 23 May 2024.