Hao Ren Hao Shi Limited

(Incorporated in the Republic of Singapore)
(Limited by guarantee and not having a share capital)
(UEN: 202222684W)

Annual Report

For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023

Hao Ren Hao Shi Limited
(Incorporated in the Republic of Singapore)

Annual Report
For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023

Contents

The directors are pleased to present their first statement to the members together with the audited financial statements of Hao Ren Hao Shi Limited (the "Company") for the financial period from 30 June 2022 (date of incorporation) to 31 December 2023.

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in funds and cash flows of the Company for the financial period from 30 June 2022 (date of incorporation) to 31 December 2023; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The directors have, on the date of this statement, authorised these financial statements for issue.

Directors

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

Ng Ching Kok	(Appointed on 30 June 2022)
Nge Beng Hwee	(Appointed on 1 October 2023)
Kong Mui Kwai, Rose	(Appointed on 1 October 2023)

Under regulation 6 of its Constitution, the members of the Company guarantee to contribute a sum not exceeding $1 to the assets of the Company in the event of it being wound up. The members of the Company are as follows:

Nge Beng Hwee
Lim Wei Teck Victor Gerard
Ng Ching Kok
Kong Mui Kwai, Rose
Lam Chee Yong (Lan Zhiyong)
Yeoh Mei Qi
Cha Cher Liang
Gopala Subramaniam

Directors' interests in shares and debentures

Not applicable as the Company is limited by guarantee.

Share options

The Company is limited by guarantee and has no issued share capital.

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

....
Ng Ching Kok
Director

....
Nge Beng Hwee
Director

8 April 2024

Independent Auditor's Report to the Members of
Hao Ren Hao Shi Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hao Ren Hao Shi Limited (the "Company"), which comprises the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial period from 30 June 2022 (date of incorporation) to 31 December 2023, 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"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in funds and cash flows of the Company for the financial period from 30 June 2022 (date of incorporation) to 31 December 2023.

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 Applicable to 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 the other information. The other information obtained at the date of this auditor's report is Directors' Statement set out on pages 1 to 2.

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

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.

Independent Auditor's Report to the Members of
Hao Ren Hao Shi Limited
(continued)

Report on the Audit of the Financial Statements

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, the Charities Act and Regulations 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 controls.

- Obtain an understanding of internal controls 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 controls.

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

Independent Auditor's Report to the Members of
Hao Ren Hao Shi Limited
(continued)

Report on the Audit of the Financial Statements (continued)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

CLA Global TS

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
8 April 2024

	Note	For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023 Unrestricted funds $
Income		
Donations		1,033,053
Donations-in-kind		1,111,809
		2,144,862
Other income		667
Total income		**2,145,529**
Expenses		
Depreciation of property, plant and equipment	7	(104,433)
Employees' compensation	3	(45,217)
Fund disbursement		(1,119,058)
Interest on lease liabilities	9(c)	(1,866)
Motor vehicle expenses		(16,272)
Professional fees		(10,471)
Repair and maintenance		(5,432)
Short-term lease expense	9(e)	(9,139)
Others		(5,725)
		1,317,613
Net surplus and total comprehensive income for the financial period		**827,916**

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

	Note	2023 $
ASSETS		
Current assets		
Cash and cash equivalents	4	334,410
Other receivables	5	9,405
Inventories	6	10,472
		354,287
Non-current assets		
Property, plant and equipment	7	540,939
Total assets		895,226
LIABILITIES		
Current liabilities		
Other payables	8	14,484
Lease liabilities	9	39,343
		53,827
Non-current liabilities		
Lease liabilities	9	13,483
Total liabilities		67,310
Net assets		827,916
FUNDS		
Unrestricted funds		827,916
Total funds		827,916

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

	Unrestricted funds $	Total $
2023		
As at 30 June 2022 (date of incorporation)	**-**	**-**
Total comprehensive income for the financial period	827,916	827,916
End of financial period	827,916	827,916

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

	Note	For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023 $
Cash flows from operating activities		
Net surplus for the financial period		827,916
Adjustments for:		
- Depreciation of property, plant and equipment	7	104,433
- Donations-in-kind received		(562,928)
- Interest on lease liabilities	9(c)	1,866
Operating surplus before working capital changes		371,287
Changes in working capital:		
- Other receivables		(9,405)
- Inventories		(10,472)
- Other payables		14,484
Net cash generated from operating activities		365,894
Cash flows from investing activities		
Additions to property, plant and equipment, representing net cash used in investing activities		(4,284)
Cash flows from financing activities		
Repayment to lease liabilities		(25,334)
Interest paid		(1,866)
Cash flows used in financing activities		(27,200)
Net increase in cash and cash equivalents and representing balance at end of the financial period		334,410

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

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

1. General information

Hao Ren Hao Shi Limited (the "Company") is incorporated as a company limited by guarantee and domiciled in Singapore. The address of its registered office is at 491B River Valley Road, #14-03 Valley Point, Singapore 248373.

The Company is registered as a charity under Charities Act 1994 on 22 September 2023.

The principal activity of the Company is to purchase, pack and deliver provisions to beneficiaries and deserving families and to provide financial support and services to individuals and/or organisations.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with provisions of the Singapore Companies Act 1967 (the "Act"), the Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements of the Company are presented in Singapore dollar ("$"), which is the functional currency of the Company and the presentation currency for the financial statements.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the Company's application of accounting policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. There are no critical judgements involved and no key sources of estimation uncertainty that have significant effect on the financial statements.

2.2 Income recognition

(a) Donations

Donations are recognised as and when the Company's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments.

(b) Donations-in-kind

Valuation of donations-in-kind is based on available invoices whenever possible. In instances where invoices are unavailable, the value of donations-in-kind is determined by referencing prices prevailing in the open market. Donations-in-kind are recognised once the Company's entitlement to such income is substantiated.

2.3 Income tax

The Company is granted the Tax Exemption Scheme for Income for not-for-profit organisations pursuant to Section 13R of the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Company.

2. Material accounting policy information (continued)

2.4 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The initial estimate cost of dismantlement, removal or restoration costs is also recognised as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

Subsequent expenditure on an item of property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, on the following bases:

	Useful lives
Motor vehicles	1-5 years
Warehouse equipment	3 years
Warehouse fixtures	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Fully depreciated property, plant and equipment still in use are retained in the financial statements until they are no longer in use.

2.5 Impairment of non-financial assets

Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

2. Material accounting policy information (continued)

2.5 Impairment of non-financial assets (continued)

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, there cover able amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated recognised n or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.6 Financial assets

(a) Classification and measurement

The Company classifies its financial assets as at amortised cost.

The classification of debt instruments depends on the Company’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those asset changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus transactions costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments mainly comprise cash and cash equivalents and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in a profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Company assesses on a forward-looking basis the expected credit loss (“ECL”) associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 10(b) details how the Company determines whether there has been a significant increase in credit risk.

For the other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

2. Material accounting policy information (continued)

2.6 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchase and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

2.7 Leases

When the Company is the lessee:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) Right-of-use assets

The Company recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within “Property, plant and equipment”.

(b) Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

2. Material accounting policy information (continued)

2.7 Leases (continued)

When the Company is the lessee: (continued)

(b) Lease liabilities (continued)

For contracts that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(c) Short term and low value leases

The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.9 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank.

2.10 Funds

Unrestricted funds

Unrestricted funds are funds received by the Company that are expendable for any activities within the Company at the discretion of the management in furtherance of the Company's charitable objectives.

2. Material accounting policy information (continued)

2.11 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.12 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Singapore Dollars ("$"), which is the functional currency of the Company.

2.13 Government grants

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

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.14 Provision for other liabilities and changes

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2. Material accounting policy information (continued)

2.15 Other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method

Trade payables settled via electronic cash transfer are derecognised when the Company has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

3. Employees' compensation

	For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023
	$
Wages and salaries	40,241
Employer's contribution to defined contribution plans including Central Provident Fund	4,814
Other short-term benefits	162
	45,217

4. Cash and cash equivalents

	2023
	$
Cash at bank	334,410

5. Other receivables

	2023
	$
Other receivables – non-related party	300
Deposits	6,800
Prepayments	2,305
	9,405

6. Inventories

	2023
	$
Consumables and food supplies	10,472

The cost of inventories recognised as expenses amounted to $1,073,268.

7. Property, plant and equipment

2023	Motor vehicles $	Warehouse equipment $	Warehouse fixtures $	Warehouse space $	Total $
Cost					
As at date of incorporation	-	-	-	-	-
Additions	515,000	47,857	4,355	78,160	645,372
End of financial period	515,000	47,857	4,355	78,160	645,372
Accumulated depreciation					
As at date of incorporation	-	-	-	-	-
Depreciation charge	64,250	11,677	1,389	27,117	104,433
End of financial period	64,250	11,677	1,389	27,117	104,433
Net book value					
End of financial period	450,750	36,180	2,966	51,043	540,939

8. Other payables

	2023 $
Other payables – non-related parties	4,484
Accruals	10,000
	14,484

9. Leases

Nature of the Company's leasing activities

The Company leases warehouse for the purposes of storing its inventories.

(a) ROU assets classified within property, plant and equipment

	2023 $
Warehouse space	51,043

(b) Depreciation charge during the period

	For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023 $
Warehouse space	27,117

(c) Interest expense

	For the financial period from 30 June 2022 (date of incorporation) to 31 December 2023 $
Interest expense on lease liabilities	1,866

(d) Lease liabilities

	2023 $
Undiscounted lease payments due:	
- Less than 1 year	40,800
- Between 1 to 5 years	13,600
	54,400
Less: Future interest expense	(1,574)
Lease liabilities	52,826
Represented by:	
Current	39,343
Non-current	13,483
	52,826

9. Leases (continued)

(e) Lease expense not capitalised in lease liabilities includes lease expense on short term leases amounting to $9,139.

(f) Total cash outflow for leases in the financial period from 30 June 2022 (date of incorporation) to 31 December 2023 was $36,339.

(g) Addition of new leases during the financial period from 30 June 2022 (date of incorporation) to 31 December 2023 was $78,160.

(h) Reconciliation of liabilities arising from financial activities

	Beginning of the financial period	Principal and interest payments	Non-cash changes		End of financial period
			Additions	Interest expense	
	$	$	$	$	$
2023					
Lease liabilities	-	(27,200)	78,160	1,866	52,826

10. Financial instruments and financial risk

Financial risk factors

The Company's activities expose it to liquidity risk and credit risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) *Liquidity risk*

The Company primarily relies on internally generated cash flow to meet its operating requirements. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations. The Company has sufficient funds to finance its ongoing working capital requirements.

The financial liabilities of the Company as presented in the statement of financial position are due within twelve months from the reporting date and approximate the contractual undiscounted repayment obligation.

10. Financial instruments and financial risk (continued)

Financial risk factors (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and cash equivalents and other receivables (excluding prepayments). For cash at banks, the Company placed it with reputable financial institutions. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counter parties with high credit rating.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company has other receivables comprising of amounts due from non-related parties and deposits amounting to $300 and $6,800 respectively. Deposits are amounts funded for security deposit for lease contracts. The Company uses the general approach for assessment of ECLs for these receivables.

As at 31 December 2023, there are no credit risk exposures in relation to the Company's other receivables. Management has assessed the application of the expected credit loss model and no loss allowances are recognised for these financial assets.

(c) Fund management

The unrestricted funds are freely available for the Company's operating purposes not subject to commitments, planned expenditures and spending limits, excluding endowment funds, restricted funds and designated funds.

The Company shall use its best efforts to maintain reserves equivalent to 12 months of operating expenses, taking into consideration the Company's funding streams and operational requirements.

(d) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	2023
	$
Financial assets at amortised cost	341,510
Financial liabilities at amortised cost	67,310

11. New or revised accounting standards and interpretations

Certain mandatory new and revised standards and amendments to existing standards that have been published are effective for the Company's accounting period beginning 1 January 2024 which the Company has not early adopted. The management anticipates that the adoption of these new and revised FRS amendments will not have a material impact on the financial statements of the Company in the period of their initial adoption.

12. Comparative figures

The Company was incorporated on 30 June 2022 and its first financial period end was determined to be on 31 December 2023. The current financial period covers a period of approximately eighteen (18) months from 30 June 2022 (date of incorporation) to 31 December 2023. This is the first set of financial statements, therefore, there are no comparative figures for this financial period.

13. Authorisation of financial statements

These financial statements for the financial period from 30 June 2022 (date of corporation) to 31 December 2023 were authorised for issued in accordance with a resolution of Board of Directors of the Company on 8 April 2024.