

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Company Registration No. 200410162D)
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2025**

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

The following information is intended only for the shareholder and not for filing with any Authority.

<u>Shareholder</u>	<u>Address</u>	<u>No. of ordinary shares</u>	
		As at <u>1/4/2024</u>	As at <u>31/3/2025</u>
Ion Exchange (India) Limited	Ion House Dr. E. Moses Road Mahalaxmi Mumbai 400 011 India	2,603,211	2,603,211

Engagement and sign-off partner: Ang Su Chau

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

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ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

We are pleased to present this statement to the member of the Company together with the audited financial statements for the financial year ended 31 March 2025.

In our opinion,

- (a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; 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 Board of Directors has, 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:

Mahabir Prasad Patni
Aankur Patni (alternate director to Mahabir Prasad Patni)
Rajesh Sharma
Dinesh Sharma (alternate director to Rajesh Sharma)
Anil Manocha

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year (including those held by their spouses and children) had no interests in shares, warrants, debentures and share options of the Company and its related corporations.

SHARE OPTIONS

During the financial year, there were:

- (i) no options granted to subscribe for unissued shares of the Company, and
- (ii) no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

AUDITOR

The auditor, Singapore Assurance PAC, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors



Mahabir Prasad Patni
Director



Rajesh Sharma
Director

Singapore

23 MAY 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ION EXCHANGE ASIA PACIFIC PTE. LTD.**
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 1 and 2), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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 MEMBER OF ION EXCHANGE ASIA PACIFIC PTE. LTD.**
(Incorporated in the Republic of Singapore)

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 and FRSSs, 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ION EXCHANGE ASIA PACIFIC PTE. LTD.**
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

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



SINGAPORE ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
23 May 2025

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	<u>Note</u>	<u>2025</u> USD	<u>2024</u> USD
ASSETS			
Non-current assets			
Associates	(4)	-	-
Subsidiaries	(5)	172,500	172,500
		<u>172,500</u>	<u>172,500</u>
Current assets			
Inventories	(6)	36,501	-
Contract costs	(7)	627,885	126,676
Trade receivables	(8)	1,478,547	1,931,225
Other receivables	(9)	582,795	567,698
Fixed deposits	(10)	162,374	261,186
Bank balances		369,963	524,832
		<u>3,258,065</u>	<u>3,411,617</u>
Total assets		<u>3,430,565</u>	<u>3,584,117</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	(11)	1,977,037	1,977,037
Accumulated losses		(1,400,980)	(1,502,696)
		<u>576,057</u>	<u>474,341</u>
Current liabilities			
Trade and other payables	(12)	2,534,954	2,819,273
Amount due to holding company	(13)	319,554	290,503
		<u>2,854,508</u>	<u>3,109,776</u>
Total equity and liabilities		<u>3,430,565</u>	<u>3,584,117</u>

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

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

	<u>Note</u>	<u>2025</u> USD	<u>2024</u> USD
Revenue	(14)	2,445,386	1,598,950
Cost of sales		(1,918,911)	(1,263,600)
Gross profit		526,475	335,350
Other income	(15)	17,251	60,397
Distribution costs		(67,894)	(31,703)
Administrative expenses		(10,443)	(5,539)
Other expenses		(334,622)	(214,377)
Finance costs	(16)	(29,051)	(26,409)
Profit before income tax	(17)	101,716	117,719
Income tax	(18)	-	-
Profit for the financial year		101,716	117,719
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		<u>101,716</u>	<u>117,719</u>

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

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

	Share <u>capital</u> USD	Accumulated <u>losses</u> USD	<u>Total</u> USD
Balance at 1 April 2023	1,977,037	(1,620,415)	356,622
Profit for the financial year, representing total comprehensive income for the financial year	-	117,719	117,719
Balance at 31 March 2024	1,977,037	(1,502,696)	474,341
Profit for the financial year, representing total comprehensive income for the financial year	-	101,716	101,716
Balance at 31 March 2025	1,977,037	(1,400,980)	576,057

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

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

	<u>Note</u>	<u>2025</u> USD	<u>2024</u> USD
Cash flows from operating activities			
Profit before income tax		101,716	117,719
Adjustments for:			
Interest on loans from holding company	(16)	29,051	26,409
Interest income	(15)	(17,251)	(29,147)
Operating profit before working capital changes		113,516	114,981
Changes in working capital:			
Inventories		(36,501)	-
Contract costs		(501,209)	466,470
Trade and other receivables		443,437	(540,888)
Trade and other payables		(284,319)	97,765
Net cash (used in)/from operating activities		(265,076)	138,328
Cash flows from investing activities			
Withdrawal of fixed deposits		98,812	351,635
Interest received		11,395	23,461
Net cash from investing activities		110,207	375,096
Net (decrease)/increase in cash and cash equivalents		(154,869)	513,424
Cash and cash equivalents at beginning of the financial year		524,832	11,408
Cash and cash equivalents at end of the financial year		369,963	524,832

Note: Cash and cash equivalents at end of financial year comprise of bank balances.

Reconciliation of liabilities arising from financing activities:

	<u>2023</u> USD	Non-cash changes Accretion of <u>interest</u> USD	<u>2024</u> USD	Non-cash changes Accretion of <u>interest</u> USD	<u>2025</u> USD
Amount due to holding company	264,094	26,409	290,503	29,051	319,554

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

ION EXCHANGE ASIA PACIFIC PTE. LTD.
(Incorporated in the Republic of Singapore)

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

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

The financial statements were authorised for issue by the Board of Directors on the date of the Directors' Statement.

1. CORPORATE INFORMATION

Ion Exchange Asia Pacific Pte. Ltd. (the "Company") is incorporated and domiciled in the Republic of Singapore.

The address of the Company's registered office is located at 11 Irving Place, #09-03 Tai Seng Point, Singapore 369551.

The address of the Company's principal place of business is located at 21 Bukit Batok Crescent, #26-84 WCEGA Tower, Singapore 658065.

The principal activities of the Company are the supply of water treatment plants, waste treatment and oilfield chemicals.

The Company is a wholly owned subsidiary of Ion Exchange (India) Limited, a company incorporated in India and listed on the Mumbai Stock Exchange, which is also the ultimate holding company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs).

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in United States Dollar (USD), which is the Company's functional currency. All financial information is presented in United States Dollar, unless otherwise stated.

2.4 Use of estimates and judgements

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

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

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

(i) *Judgements made in applying accounting policies*

Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the 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.

Provision for expected credit losses (ECLs) 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 of forecast 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 21.2.

The carrying amount of the Company's trade receivables as at 31 March 2025 is disclosed in Note 8 to the financial statements.

Provision for ECLs of other financial assets

The Company uses the ageing analysis and management's continuous evaluation of the ECLs for other financial assets. In assessing the ultimate realisation of these assets, management considers, among other factors, the creditworthiness and the past collection history of counter parties. If the financial conditions of these counter parties were to deteriorate, resulting in an impairment of their ability to make payments, additional provisions may be required.

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

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

(ii) Key sources of estimation uncertainty (cont'd)

Provision for ECLs of other financial assets (cont'd)

The carrying amounts of the Company's other financial assets including other receivables as at 31 March 2025 are disclosed in Note 9 to the financial statements.

2.5 Basis of non-consolidation

The Company has not prepared one set of financial statements of the Company and its subsidiary as:

- (i) The Company is a wholly owned subsidiary of Ion Exchange (India) Limited, a company incorporated in India and listed on the Mumbai Stock Exchange;
- (ii) The Company's equity instruments are not traded in a public market;
- (iii) The Company did not file, nor is in the process of filing its financial statements for the purpose of issuing any class of instruments in a public market; and.
- (iv) The holding company, Ion Exchange (India) Limited, whose registered office is Ion House, Dr. E. Moses Road, Mahalaxmi Mumbai 400 011 India, produces consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

(i) Financial assets

Initial recognition and measurement

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

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

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.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

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

Derecognition

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

(ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.2 Subsidiary

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

Investments in subsidiaries are accounted for at cost less impairment losses.

3.3 Associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies of these entities.

Investment in associates are accounted for at cost less impairment losses.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.4 (ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3.4 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS115).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) *Non-derivative financial assets and contract assets (cont'd)*

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) *Non-derivative financial assets and contract assets (cont'd)*

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(ii) *Non-financial assets (cont'd)*

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Employee benefits

(i) *Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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 reporting date.

3.6 Revenue

(i) *Project revenue*

The Company supplies water treatment plant and other plant projects to customers through fixed-price contracts. Revenue is recognised when the promises to the customer has been fulfilled. At contract inception, the Company assesses whether the Company fulfills the promises over time or at a point in time by determining if the Company has an enforceable right to payment for performance completed to date.

Where the Company has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Company's progress towards completing the installation of the product. The measure of progress is determined based on the output method which is the customer's acceptance.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Revenue (cont'd)

(i) *Project revenue (cont'd)*

In respect of contracts where the Company does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the final installation of the product is completed, and the customer has accepted it in accordance with the sales contract.

Revenue is measured at the transaction price agreed under the contract entered into with customers. It is recognised based on the achievement of specific milestones which coincide with the billing term.

(ii) *Sale of goods*

Revenue from sales of goods is measured at the fair value of the consideration received or receivables which is usually the invoice price, net of returns and allowances, trade discounts and volume rebate given to customers. Sales of goods is recognised at a point in time upon the transfer of significant risks and rewards of ownership of the goods to the customers which generally coincides with delivery and acceptance of the goods sold.

3.7 Income tax

(i) *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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI 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.

(ii) *Deferred tax*

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

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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

ION EXCHANGE ASIA PACIFIC PTE. LTD.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D)****3.7 Income tax (cont'd)****(iii) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.8 Adoption of new and amended standards and interpretations

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

3.9 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are issued but effective for annual periods beginning on or after 1 April 2025, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. The Company is currently assessing the potential impact of adopting these standards and interpretations, on the financial statements of the Company. None of these are expected to have a significant effect on the financial statements of the Company.

4. ASSOCIATES

	<u>2025</u>	<u>2024</u>
	USD	USD
<u>Unquoted equity shares</u>		
Balance at beginning and end of the financial year	49,000	49,000
<i>Less: Impairment losses</i>		
Balance at beginning and end of the financial year	(49,000)	(49,000)
	<u>-</u>	<u>-</u>

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

4. ASSOCIATES (CONT'D)

The details of associate are as follows:

<u>Name of associate</u>	<u>Principal activities</u>	<u>Place of incorporation</u>	<u>Ownership interest</u>	
			<u>2025</u> %	<u>2024</u> %
Ion Exchange PSS Ltd ⁺	Providing new and improved engineering technical services in the water supply industry	Thailand	49	49

⁺ Audited by PKS Consultant Co., Ltd.

5. SUBSIDIARIES

	<u>2025</u> USD	<u>2024</u> USD
<u>Unquoted equity shares</u>		
Balance at beginning and end of the financial year	256,602	256,602
<i>Less: Impairment losses</i>		
Balance at beginning and end of the financial year	(84,102)	(84,102)
	<u>172,500</u>	<u>172,500</u>

The details of subsidiaries are as follows:

<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Place of incorporation and place of business</u>	<u>Ownership interest</u>	
			<u>2025</u> %	<u>2024</u> %
Ion Exchange Asia Pacific (Thailand) Ltd.*	Providing new and improved engineering technical services in the water supply industry	Thailand	100	100
PT Ion Exchange Asia Pacific ⁺	Providing new and improved engineering technical services in the water supply industry	Indonesia	95	95

* Audited by PKS Consultant Co., Ltd.

⁺ Audited by Kantor Akuntan Publik Dra. Suhartati & Rekan

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

6. INVENTORIES

	<u>2024</u> USD	<u>2023</u> USD
Inventories, at cost	36,501	-

The cost of inventories included in 'cost of sales' amounted to US\$1,918,911.

7. CONTRACT COSTS

Contract costs relate to capitalised cost attributable directly to a contract or to an anticipated contract that (i) the Company can specifically identify; (ii) was generated or enhanced resources of the Company that will be used in satisfying its performance obligation in the future; and (iii) is expected to be recovered.

There was no impairment loss recognised on contract costs during the financial year and prior financial year.

8. TRADE RECEIVABLES

	<u>2025</u> USD	<u>2024</u> USD
Trade receivables:		
- A related company	46,756	46,756
- A subsidiary	668,295	668,295
- Holding company	-	31,250
- Third parties	504,432	814,732
	1,219,483	1,561,033
Retention sum - Third parties	259,064	98,392
	1,478,547	1,659,425
Unbilled receivables	-	271,800
	1,478,547	1,931,225

The trade receivables are non-interest bearing, unsecured and generally on 30 days' (2024: 30 days') terms. They are recognised at their original invoice amounts which represents their fair value on initial recognition.

The Company's trade receivables and retention sum are unsecured, except for the balances amounting to USD1,211,044 and USD259,064 (2024: USD1,513,208 and USD98,392) respectively which are secured by financial guarantee from the holding company.

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

9. OTHER RECEIVABLES

	<u>2025</u> USD	<u>2024</u> USD
Advance to creditors:		
- Subsidiary	14,361	14,361
- Third parties	12,405	12,405
	26,766	26,766
Deposits	1,127	1,127
Other receivables:		
- An associate	201,082	195,226
- A subsidiary	196,755	196,755
- A related company	130,810	130,810
- Third parties	26,255	17,014
	554,902	539,805
	<u>582,795</u>	<u>567,698</u>

Amounts due from an associate, a subsidiary, a related company and third parties are non-trade in nature, unsecured, recoverable on demand and interest-free, except for the balances amounting to USD564,262 (2024: USD556,409) which are secured by financial guarantee from the holding company and amount due from an associate which bears interest of 3% (2024: 3%).

10. FIXED DEPOSITS

Fixed deposits are matured within six months (2024: six months). The effective interest rate is at 4.25% (2024: 4.25%) per annum. The fixed deposits are pledged to the bank for the issue of bank guarantee and letter of credit.

11. SHARE CAPITAL

	<u>2025</u>	<u>2024</u>
<u>Issued and fully paid</u>		
2,603,211 (2024: 2,603,211) ordinary shares	<u>SGD2,603,211</u>	<u>SGD2,603,211</u>
Equivalent to United States Dollar	<u>USD1,977,037</u>	<u>USD1,977,037</u>

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

Capital management

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****11. SHARE CAPITAL (CONT'D)****Capital management (cont'd)**

The Company manages its working capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the working capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the current financial year.

The capital structure of the Company comprises issued capital and reserves.

The Company manages capital by regularly monitoring its current and expected liquidity requirements.

The Company is not obliged to meet capital requirements, both internally and externally imposed.

12. TRADE AND OTHER PAYABLES

	<u>2025</u> USD	<u>2024</u> USD
Trade payables:		
- An associate	668,751	668,751
- Holding company	1,758,611	2,023,099
- Third parties	85,353	86,729
	2,512,715	2,778,579
Accruals	22,239	20,119
Other payables	-	20,575
	<u>2,534,954</u>	<u>2,819,273</u>

13. AMOUNT DUE TO HOLDING COMPANY

Amount due to holding company is non-trade in nature, unsecured, repayable on demand and bears interest at 10% (2024: 10%).

14. REVENUE

	<u>2025</u> USD	<u>2024</u> USD
Revenue from contracts with customers:		
- Sale of goods	2,445,386	1,598,950
Timing of revenue:		
- At a point in time	992,762	672,695
- Over time	1,452,624	926,255
	<u>2,445,386</u>	<u>1,598,950</u>

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

15. OTHER INCOME

	<u>2025</u> USD	<u>2024</u> USD
Interest income from:		
- Bank	11,395	23,461
- An associate	5,856	5,686
	17,251	29,147
Other income	-	31,250
	<u>17,251</u>	<u>60,397</u>

16. FINANCE COSTS

	<u>2025</u> USD	<u>2024</u> USD
Interest on loans from holding company	29,051	26,409

17. PROFIT BEFORE INCOME TAX

In addition to those expenses disclosed elsewhere in the financial statements, profit before income tax is arrived at after charging the following:

	<u>2025</u> USD	<u>2024</u> USD
Allowance for expected credit losses, trade (net)	46,756	-
Foreign exchange loss	-	41
Salaries and related costs	202,080	182,916
Travelling expenses	67,894	31,703

18. INCOME TAX

The tax expense on profit before income tax differs from the amount that would arise using the Singapore standard rate of income tax is reconciled as follows:

	<u>2025</u> USD	<u>2024</u> USD
Profit before income tax	101,716	117,719
Tax calculated at a tax rate of 17% (2024: 17%)	17,292	20,012
Effect of expenses not deductible for tax purposes	4,938	4,490
Utilisation of deferred tax assets not recognised previously	(22,230)	(24,502)
Tax expense	-	-

Subject to the approval from tax authority, the Company has unabsorbed tax losses of USD957,227 (2024: USD1,087,992), available for offsetting against future taxable profits.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****18. INCOME TAX (CONT'D)**Deferred tax assets not recognised

The components of deferred tax assets not recognised are as follows:

	<u>2025</u> USD	<u>2024</u> USD
Excess of tax base of qualifying assets over the corresponding net carrying amount	615	615
Unabsorbed tax losses	162,729	184,959
	<u>164,344</u>	<u>185,574</u>

The deferred tax assets have not been recognised in the financial statements as it is not probable that the future profits will be available to offset against these deferred tax assets. The realisation of deferred tax benefit arising from the above is available for unlimited period subject to there being no substantial changes in shareholders as required in the provisions of the Singapore Income Tax Act.

19. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the year:

	<u>2025</u> USD	<u>2024</u> USD
<u>Income</u>		
Interest charged to an associate	5,856	5,686
Other income from holding company	-	31,250
	<u>-</u>	<u>31,250</u>
<u>Expenses</u>		
Purchase from holding company:		
- Recognised in the statement of profit or loss and other comprehensive income	1,891,491	786,445
- Recognised as contract costs	554,000	6,922
- Freight cost	1,480	3,763
Interest charged by holding company	29,051	26,409
Project overhead cost charged by holding company	47,423	-
	<u>2,493,445</u>	<u>823,539</u>
<u>Others</u>		
Advances paid to a related company	-	8,700
Payment on behalf of holding company	611,256	-
	<u>611,256</u>	<u>8,700</u>

20. CONTINGENT LIABILITIES

In prior financial year, the aggregate amount of bank guarantees outstanding amounted to USD316,500.

The Company has not recognised any liabilities related to these bank guarantees as the likelihood of the Company having to make payments under these guarantees is remote.

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

21. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The Company has no formal risk management policies and guidelines, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy. It has however established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the directors.

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The key financial risks include foreign currency risk, credit risk and liquidity risk. The following provide details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

21.1 Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar (SGD) and Malaysian Ringgit (MYR).

Exposure to currency risk

The Company's exposures to currency risk at the reporting date are as follows:

	<u>2025</u>		<u>2024</u>	
	<u>SGD</u>	<u>MYR</u>	<u>SGD</u>	<u>MYR</u>
	USD	USD	USD	USD
<u>Financial assets</u>				
Other receivables	-	1,127	-	1,127
Bank balances	2,156	-	1,385	-
	<u>2,156</u>	<u>1,127</u>	<u>1,385</u>	<u>1,127</u>
<u>Financial liabilities</u>				
Trade and other payables	5,500	-	4,500	-
	<u>5,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Net exposures	<u>(3,344)</u>	<u>1,127</u>	<u>(3,115)</u>	<u>1,127</u>

Sensitivity analysis

The impact on the net exposure to a reasonable possible change in currencies is insignificant, accordingly the sensitivity analysis is not disclosed.

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

21. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

21.2 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including bank balances, and fixed deposits), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****21. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****21.2 Credit risk (cont'd)**

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

	<u>Note</u>	<u>Category</u>	12-month or lifetime <u>ECL</u>	Gross carrying <u>amount</u> USD	Loss <u>allowance</u> USD	Net carrying <u>amount</u> USD
31 March 2025						
Trade receivables	(8)	Note 1	Lifetime ECL (simplified)	1,478,547	-	1,478,547
Other receivables	(9)	I	Lifetime ECL	582,795	-	582,795
Fixed deposits	(10)	I	12-month ECL	162,374	-	162,374
Bank balances		I	12-month ECL	369,963	-	369,963
					<u>-</u>	<u>-</u>
31 March 2024						
Trade receivables	(8)	Note 1	Lifetime ECL (simplified)	1,659,425	-	1,659,425
Unbilled receivables	(8)	Note 1	Lifetime ECL (simplified)	271,800	-	271,800
Other receivables	(9)	I	12-month ECL	567,698	-	567,698
Fixed deposits	(10)	I	12-month ECL	261,186	-	261,186
Bank balances		I	12-month ECL	524,832	-	524,832
					<u>-</u>	<u>-</u>

Trade receivables (Note 1)

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

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

21. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

21.2 Credit risk (cont'd)

Trade receivables (Note 1) (cont'd)

	Trade receivables				
	Days past due				Total
	Not past due	31 - 60 days	61 - 90 days	> 90 days	
	USD	USD	USD	USD	USD
31 March 2025					
Trade receivables	160,672	216,098	1,485	1,100,292	1,478,547
Individually impaired	-	-	-	-	-
Estimated total gross carrying amount at default	160,672	216,098	1,485	1,100,292	1,478,547
ECL rate	0%	0%	0%	0%	
ECL	-	-	-	-	-
					<u>1,478,547</u>
31 March 2024					
Trade receivables	138,227	-	7,125	1,514,073	1,659,425
Individually impaired	-	-	-	-	-
Estimated total gross carrying amount at default	138,227	-	7,125	1,514,073	1,659,425
ECL rate	0%	0%	0%	0%	
ECL	-	-	-	-	-
					<u>1,659,425</u>

Other non-derivative financial assets

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

21.3 Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations and funding from the holding company. The directors are satisfied that funds are available to finance the operations of the Company.

The Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations profile are equivalent to their carrying amounts and are recoverable or repayable within one year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025****22. FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost are as follows:

	<u>2025</u> USD	<u>2024</u> USD
Financial assets measured at amortised cost:		
- Trade receivables	1,478,547	1,931,225
- Other receivables	582,795	567,698
- Fixed deposits	162,374	261,186
- Bank balances	369,963	524,832
	<u>2,593,679</u>	<u>3,284,941</u>
Financial liabilities measured at amortised cost:		
- Trade and other payables	2,534,954	2,819,273
- Amount due to holding company	319,554	290,503
	<u>2,854,508</u>	<u>3,109,776</u>

THIS SCHEDULE HAS BEEN PREPARED FOR MANAGEMENT INFORMATION
ONLY AND DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

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**SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

	<u>2025</u> USD	<u>2024</u> USD
Revenue	2,445,386	1,598,950
Less: <u>Cost of sales</u>		
Opening inventory	-	-
Purchases	1,955,412	1,263,600
Closing inventory	(36,501)	-
	<u>1,918,911</u>	<u>1,263,600</u>
Gross profit	526,475	335,350
Add: <u>Other income</u>		
Interest income	17,251	29,147
Other income	-	31,250
	<u>17,251</u>	<u>60,397</u>
Less: <u>Distribution costs</u>		
Travelling expenses	<u>67,894</u>	<u>31,703</u>
Less: <u>Administrative expenses</u>		
Audit fee	6,599	4,500
Legal fee and professional fee	2,960	1,039
Printing and stationery	298	-
Courier fee	586	-
	<u>10,443</u>	<u>5,539</u>
Less: <u>Other expenses</u>		
Bank charges	11,576	15,832
Exhibition expenses	7,650	1,000
Foreign exchange loss	-	41
General expenses	4,382	6,051
Marketing expenses	60,291	7,780
Project overheads	47,423	-
Salaries and related costs	202,080	182,916
Visa charges	1,220	-
Service charges	-	757
	<u>334,622</u>	<u>214,377</u>
Less: <u>Finance costs</u>		
Interest on loans from holding company	29,051	26,409
Profit before income tax	<u>101,716</u>	<u>117,719</u>