

GMR AIRPORTS (SINGAPORE) PTE. LTD.
Company Registration No. 201924150R

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

GMR Airports (Singapore) Pte. Ltd.

General Information

Directors

Puvan Sripathy
Vivek Singhal
Ranganathan Venkataramani

Company Secretary

Dominic Kevin Sim Hong Heng

Registered Office

33A Chander Road
Singapore 219539

Auditor

CA.sg PAC

Principal Bankers

AfrAsia Bank Limited
ICICI Bank Limited
National Bank of Greece S.A. Corporate Branch
Union Bank Limited

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GMR Airports (Singapore) Pte. Ltd.

Directors' Statement For the year ended 31 December 2023

The directors present the statement to the member together with the audited financial statements of the company for the year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, having regard to the financial support from its immediate holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Directors

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

Puvan Sripathy
Vivek Singhal
Ranganathan Venkataramani

Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during that year did there subsist any arrangements to which the company was a party whereby the directors might 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 under Section 164 of the Singapore Companies Act 1967, none of the directors of the company who held office at the end of the financial year have any interest in the shares or debentures of the company or its related corporations.

GMR Airports (Singapore) Pte. Ltd.

Directors' statement (continued)
For the year ended 31 December 2023

Share options

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

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

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

Auditor

The auditor, CA.sg PAC, has expressed its willingness to accept reappointment.

For and on behalf of the Board

Puvan Sripathy

.....
Puvan Sripathy
Director

Vivek Singhal

.....
Vivek Singhal
Director

29 April 2024

INDEPENDENT AUDITOR’S REPORT
to the member of
GMR AIRPORTS (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GMR Airports (Singapore) Pte. Ltd. (the “company”), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore 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 December 2023 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 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 member of

GMR AIRPORTS (SINGAPORE) PTE. LTD. (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the member of

GMR AIRPORTS (SINGAPORE) PTE. LTD. (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (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 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.



CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

29 April 2024

GMR Airports (Singapore) Pte. Ltd.**Statement of Financial Position
as at 31 December 2023**

	Note	2023 US\$	Restated 2022 US\$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	4	491,926	832,072
Other receivables	5	96,043	89,238
		<u>587,969</u>	<u>921,310</u>
Current Assets			
Trade receivables	6	4,608,801	-
Other receivables	5	2,220,984	563,134
Cash and cash equivalents	7	2,848,379	2,584,811
		<u>9,678,164</u>	<u>3,147,945</u>
Total Assets		<u>10,266,133</u>	<u>4,069,255</u>
Current Liabilities			
Other payables	8	8,908,543	7,840,219
Lease liabilities	9	345,677	320,806
		<u>9,254,220</u>	<u>8,161,025</u>
Non-Current Liabilities			
Other payables	8	32,956	32,956
Lease liabilities	9	74,183	439,268
		<u>107,139</u>	<u>472,224</u>
Total Liabilities		<u>9,361,359</u>	<u>8,633,249</u>
Net Current Assets/(Liabilities)		<u>423,944</u>	<u>(5,013,080)</u>
Net Assets/(Liabilities)		<u>904,774</u>	<u>(4,563,994)</u>
EQUITY			
Share capital	10	6,430,000	430,000
Accumulated losses		<u>(5,525,226)</u>	<u>(4,993,994)</u>
Total Equity		<u>904,774</u>	<u>(4,563,994)</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

**Statement of Comprehensive Income
for the year ended 31 December 2023**

		2023	Restated
	Note	US\$	2022
			US\$
Revenue	11	4,444,517	2,099,066
Cost of sales		<u>-</u>	<u>-</u>
Gross profit		4,444,517	2,099,066
Other operating income	12	472,705	98,088
Administrative expenses	13	(5,436,561)	(5,221,777)
Finance costs	14	<u>(11,893)</u>	<u>(18,675)</u>
Loss before income tax expense	15	(531,232)	(3,043,298)
Income tax expense	16	<u>-</u>	<u>-</u>
Net loss for the year		(531,232)	(3,043,298)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(531,232)</u></u>	<u><u>(3,043,298)</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

**Statement of Changes in Equity
for the year ended 31 December 2023**

	Note	Share capital US\$	Accumulated losses US\$	Total US\$
At 1 January 2022		430,000	(1,950,696)	(1,520,696)
Total comprehensive loss for the year		<u>-</u>	<u>(3,043,298)</u>	<u>(3,043,298)</u>
At 31 December 2022, as restated		430,000	(4,993,994)	(4,563,994)
Issuance of shares	10	6,000,000	-	6,000,000
Total comprehensive loss for the year		<u>-</u>	<u>(531,232)</u>	<u>(531,232)</u>
At 31 December 2023		<u>6,430,000</u>	<u>(5,525,226)</u>	<u>904,774</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.**Statement of Cash Flows
for the year ended 31 December 2023**

	2023 US\$	Restated 2022 US\$
Cash flows from operating activities		
Loss before income tax	(531,232)	(3,043,298)
Adjustments for:-		
Allowance for expected credit loss on other receivables	-	241,515
Bad debts written off	104,492	-
Depreciation expense	398,756	401,390
Interest expense	11,893	18,675
Provision for leave encashment	41,883	322,194
Reversal of allowance for expected credit loss on other receivables	(215,541)	-
Operating loss before working capital changes	(189,749)	(2,059,524)
Increase in trade receivables	(4,608,801)	-
Increase in other receivables	(1,401,041)	(257,217)
Increase/(Decrease) in other payables	326,441	(55,922)
Cash used in operations	(5,873,150)	(2,372,663)
Interest paid	(11,893)	(18,675)
Net cash used in operating activities	<u>(5,885,043)</u>	<u>(2,391,338)</u>
Cash flows from investing activity		
Acquisition of property, plant and equipment	(35,564)	(5,513)
Net cash used in investing activity	<u>(35,564)</u>	<u>(5,513)</u>
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(363,260)	(322,459)
Increase in amount owing to immediate holding company	6,178,816	3,650,000
Repayment from intermediate holding company	368,619	-
Net cash generated from financing activities	<u>6,184,175</u>	<u>3,327,541</u>
Net increase in cash and cash equivalents	263,568	930,690
Cash and cash equivalents at beginning of the year	<u>2,584,811</u>	<u>1,654,121</u>
Cash and cash equivalents at end of the year	<u><u>2,848,379</u></u>	<u><u>2,584,811</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

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

1. Corporate information

The company (company registration no. 201924150R) is a limited liability company which is incorporated in the Republic of Singapore with the registered office at 33A Chander Road Singapore 219539 and the principal place of business at 135 Cecil Street, #14-01 Philippine Airlines Building, Singapore 069536.

The principal activities of the company are those of infrastructure engineering design and consultancy services.

The immediate holding company is GMR Airports International B.V., a company incorporated in Netherlands, which owns 100% of the issued ordinary share capital of the company. The ultimate holding company is GMR Enterprises Private Limited, a company incorporated in India. Related companies in these financial statements refer to companies within the GMR Enterprises Private Limited group of companies.

2. Material accounting policy information

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (“FRS”).

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in United States Dollars (“US\$”) and all values are presented to the nearest dollar except where indicated otherwise.

The financial statements of the company have been prepared on the basis that it will continue to operate as a going concern.

2. Material accounting policy information (continued)

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 January 2023. Except for the effect of the adoption of amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies described below, the adoption of the other new and amended standards did not have any material effect on the financial performance or position of the company.

FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The company adopted amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies from 1 January 2023. The amendments did not result in any changes to the accounting policies themselves but they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of “material”, rather than “significant” accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policy information (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

2.3 Financial assets

(a) Classification and measurement

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.

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

2. Material accounting policy information (continued)

2.3 Financial assets (continued)

(a) Classification and measurement (continued)

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.

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.

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 is recognised in profit or loss.

(b) Impairment

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

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

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

2. Material accounting policy information (continued)

2.3 Financial assets (continued)

(b) Impairment (continued)

The company considers a financial asset in default when contractual payments are 210 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 Property, plant and other equipment

All items of property plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation.

The cost of an asset comprises its purchase price. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the statement of comprehensive income.

Depreciation is calculated on the straight line basis so as to write off the cost of the assets over their estimated useful lives as follows:-

Computers and software	3 years
Office premise	Over the lease period of 5 years
Office equipment	3 years
Furnitures and fixtures	5 years
Leasehold improvement	5 years
Motor vehicle	Over the lease period of 2 years

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

The residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2. Material accounting policy information (continued)

2.5 Impairment of non-financial assets

The carrying amounts of the company's assets are reviewed at the date of each statement of financial position to determine whether there is any objective evidence that a financial asset is impaired. If such indication exists, the assets' recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value in use.

2.6 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.

Subsequent measurement

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

Derecognition

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

2.7 Provisions

Provisions are recognised when :-

- (i) the company has a present obligation (legal or constructive) as a result of past events;
- (ii) it is probable that an outflow of resources will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the amount of the obligation.

2. Material accounting policy information (continued)

2.8 Leases

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

(a) As lessee

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

Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and estimate of reinstatement costs. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

The company's right-of-use assets are presented within property, plant and equipment (Note 4).

Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments).

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

The company's lease liabilities are disclosed separately (Note 9).

2. Material accounting policy information (continued)

2.9 Revenue recognition

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

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

Service income

Revenue from the provision of consultancy services is recognised when the services are rendered.

2.10 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.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity.

2.12 Foreign currency

(i) Functional currency

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company (“functional currency”). The financial statements are presented in United States Dollars, which is also the functional currency of the company.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

2. Material accounting policy information (continued)

2.12 Foreign currency (continued)

(ii) Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of comprehensive income.

2.13 Employee benefits

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (“CPF”). CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

2.15 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the shareholders or key management personnel.

3. Significant accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRSs requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Significant accounting estimates and assumptions

Useful lives of property, plant and equipment

The cost of property, plant and equipment for the company's operations is depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 2 to 5 years. These are common life expectancies applied in the industry. Changes in the expected levels of usage could impact the economic useful lives and the residual value of these assets and accordingly, future depreciation charges could be revised. The carrying values of the company's property, plant and equipment are as disclosed in note 4.

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management will estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3.2 Critical judgements in applying the entity's accounting policies

The following are the judgements made by management in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at the date of the statement of financial position, there is no indication of impairment and the carrying value of the company's property, plant and equipment is as disclosed in note 4.

3. Significant accounting estimates, assumptions and judgements (continued)

3.2 Critical judgements in applying the entity's accounting policies (continued)

Determination of lease term of contracts with extension options

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has a lease contract that include extension options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

As at 31 December 2023, potential future (undiscounted) cash outflows of approximately US\$401,887 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

Leases – estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

4. Property, plant and equipment

	Computers and software US\$	Office premise US\$	Office equipment US\$	Furniture and fittings US\$	Leasehold improvement US\$	Motor vehicle US\$	Total US\$
Cost							
At 1 January 2022	7,786	1,583,271	32,000	105,897	228,200	43,382	2,000,536
Additions	5,513	-	-	-	-	46,153	51,666
Disposal (as restated)	-	-	-	-	-	(41,099)	(41,099)
At 31 December 2022 (as restated)	13,299	1,583,271	32,000	105,897	228,200	48,436	2,011,103
Additions	27,535	-	1,969	6,060	-	23,046	58,610
At 31 December 2023	40,834	1,583,271	33,969	111,957	228,200	71,482	2,069,713
Accumulated Depreciation							
At 1 January 2022	4,650	630,834	17,708	39,829	86,904	38,815	818,740
Depreciation charge	3,632	296,863	10,667	21,179	45,640	23,409	401,390
Disposal (as restated)	-	-	-	-	-	(41,099)	(41,099)
At 31 December 2022 (as restated)	8,282	927,697	28,375	61,008	132,544	21,125	1,179,031
Depreciation charge	7,220	296,863	4,387	21,210	45,640	23,436	398,756
At 31 December 2023	15,502	1,224,560	32,762	82,218	178,184	44,561	1,577,787
Net Carrying Value							
At 31 December 2023	25,332	358,711	1,207	29,739	50,016	26,921	491,926
At 31 December 2022	5,017	655,574	3,625	44,889	95,656	27,311	832,072

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2023****4. Property, plant and equipment (continued)**

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 18.

Additions to property, plant and equipment are acquired by way of :-

	2023	Restated
	US\$	2022
		US\$
Cash	35,564	5,513
Lease liabilities	23,046	46,153
	<u>58,610</u>	<u>51,666</u>

5. Other receivables

	2023	Restated
	US\$	2022
		US\$
Non-current		
Deposit	96,043	89,238
Current		
Deposits	3,281	3,063
Prepayments	46,820	55,618
Amount due from a director	15,148	18,363
Amount due from intermediate holding company	-	368,619
Amount due from immediate holding company	521,184	-
Advances to staff	18,847	12,979
Other receivables	1,641,678	346,007
	2,246,958	804,649
Less: Allowance for expected credit loss on other receivables	(25,974)	(241,515)
	<u>2,220,984</u>	<u>563,134</u>
	<u>2,317,027</u>	<u>652,372</u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

5. Other receivables (continued)

Other receivables are denominated in the following currencies :-

	2023	Restated
	US\$	2022
		US\$
Indonesian Rupiah	4,678	10,645
Singapore Dollars	152,478	149,165
United States Dollars	2,159,871	492,562
	<u>2,317,027</u>	<u>652,372</u>

Non-current deposit comprises the security deposit paid in relation to the lease of office premise. The deposit is refundable at the end of the lease term.

The amount due from a director comprises advances to the director for business travelling purpose. It is unsecured, non-interest bearing and repayable on demand.

The amount due from intermediate holding company was unsecured, non-interest bearing and has been repaid during the financial year.

The amount due from immediate holding company and advances to staff are unsecured, non-interest bearing and repayable on demand.

Included in other receivables is a balance amounting to US\$1,500,000 held in an Escrow Bank Account which is jointly owned by the company and another third party for the acquisition of 11% of equity stake in a related party. Subsequent to the end of the financial year, the deal was rescinded and the balance was refunded to the company.

The movement in the allowance for expected credit loss during the financial year is as follows:

	2023	Restated
	US\$	2022
		US\$
Balance at beginning of the year	241,515	-
Allowance made during the year	-	241,515
Reversal during the year	(215,541)	-
Balance at end of the year	<u>25,974</u>	<u>241,515</u>

6. Trade receivables

Trade receivables are denominated in Euro and unsecured, non-interest bearing and generally granted 30-day terms.

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2023****7. Cash and cash equivalents**

Cash and cash equivalents are denominated in the following currencies :-

	2023	Restated
	US\$	2022
		US\$
Euro	2,315,852	2,236,594
Singapore Dollars	65,703	81,645
United States Dollars	235,408	36,932
Philippine Peso	231,416	229,640
	<u>2,848,379</u>	<u>2,584,811</u>

8. Other payables

	2023	Restated
	US\$	2022
		US\$
Non-current		
Provision for reinstatement costs	<u>32,956</u>	<u>32,956</u>
Current		
Accrued expenses	107,283	170,656
Amount due to immediate holding company	8,040,000	7,340,000
Other payables	397,183	7,369
Provision for leave encashment	364,077	322,194
	<u>8,908,543</u>	<u>7,840,219</u>
	<u>8,941,499</u>	<u>7,873,175</u>

Other payables are denominated in the following currencies :-

	2023	Restated
	US\$	2022
		US\$
Singapore Dollars	630,933	385,475
United States Dollars	8,119,944	7,487,700
Euro	60,700	-
Australian Dollars	129,922	-
	<u>8,941,499</u>	<u>7,873,175</u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

8. Other payables (continued)

The amount due to immediate holding company is unsecured, non-interest bearing and repayable on demand.

9. Lease liabilities

	2023	Restated
	US\$	2022
		US\$
Current:		
- Lease liabilities (Note 18)	<u>345,677</u>	<u>320,806</u>
Non-current:		
- Lease liabilities (Note 18)	<u>74,183</u>	<u>439,268</u>
	<u><u>419,860</u></u>	<u><u>760,074</u></u>

The lease liabilities are denominated in Singapore Dollars.

The movements of lease liabilities are as follows:

	2023	Restated
	US\$	2022
		US\$
Balance at beginning of the year	760,074	1,036,380
Lease modification	23,046	46,153
Accretion of interest	11,893	18,675
Lease payments – principal portion paid	(363,260)	(322,459)
Interest paid	<u>(11,893)</u>	<u>(18,675)</u>
Balance at end of the year	<u><u>419,860</u></u>	<u><u>760,074</u></u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

10. Share capital

	Number of shares		Restated	
	2023 Unit	2022 Unit	2023 US\$	2022 US\$
Issued and fully paid :-				
At 1 January	430,000	430,000	430,000	430,000
Issued during the financial year	<u>6,000,000</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>
At 31 December	<u><u>6,430,000</u></u>	<u><u>430,000</u></u>	<u><u>6,430,000</u></u>	<u><u>430,000</u></u>

The ordinary shares have no par value. 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.

During the financial year, the company issued an additional 6,000,000 ordinary shares for US\$6,000,000 by way of capitalising the amount owing to the immediate holding company for additional working capital.

11. Revenue

(a) Disaggregation of revenue

The company generates revenue only from the provision of consultancy services.

(b) Company's performance obligations

(i) Point of revenue recognition

Revenue is recognised when the performance obligation is satisfied over time.

(ii) Significant payment terms

Invoices for services rendered are issued to the customers when the services are certified on milestone basis. Payment for these is due in 60 days. No element of financing is deemed present as the credit terms are consistent with market practice. Hence no interest is charged to customers.

The company does not have a policy to give discounts to customer.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

11. Revenue (continued)

(c) Methods, inputs and assumptions in determining revenue

The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. The transaction price, which may be fixed or variable, is then allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Management exercises judgement in determining the estimated variable consideration and in applying the constraint on the estimated variable consideration that can be included in the transaction price. Based on historical experience with customers, the management has determined that the effect of variable consideration is insignificant.

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2023 may be recognised as revenue in the next reporting periods as follows:

	2024 US\$'000	2025 US\$'000	Total US\$'000
Partially unsatisfied performance obligation as at: 31 December 2023	<u>2,277</u>	<u>1,518</u>	<u>3,795</u>

12. Other operating income

	2023 US\$	Restated 2022 US\$
Foreign exchange gain	257,164	98,088
Reversal of allowance for expected credit loss on other receivables	<u>215,541</u>	<u>-</u>
	<u>472,705</u>	<u>98,088</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2023****13. Administrative expenses**

Included in administrative expenses are employee benefits expense as follows :-

	2023	Restated
	US\$	2022
		US\$
<u>Directors of the company</u>		
Directors' remuneration	1,738,549	1,962,879
Directors' CPF contributions	6,173	5,917
Directors' skills development levy	201	220
	<u>1,744,923</u>	<u>1,969,016</u>
<u>Other staff of the company</u>		
Staff salaries, bonus and allowances	1,349,813	1,376,909
Staff CPF contributions	41,126	21,068
Staff skills development levy	976	829
Medical expenses	39	168
Staff welfare	199,103	166,016
	<u>1,591,057</u>	<u>1,564,990</u>
	3,335,980	3,534,006
Less: Wage Credit Scheme (i)	-	(845)
CPF Transition (ii)	-	(118)
Job Growth Incentive (iii)	-	(1,763)
	<u>3,335,980</u>	<u>3,531,280</u>

- (i) Wage Credit Scheme (WCS) was introduced in 2013 as a three-year scheme, and subsequently extended to 2020, to support businesses embarking on transformation efforts and encourage sharing of productivity gains with workers. In Budget 2021, the WCS was extended by another year at a co-funding level of 15% to further support wage increments to help companies build up their local workforce and emerge stronger from COVID-19.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

13. Administrative expenses (continued)

(ii) In 2019, the Government announced that CPF contribution rates will be raised gradually over this decade for Singaporean and Permanent Resident workers aged above 55 to 70 . When the increases have been fully implemented, those aged above 55 to 60 will have the same CPF contribution rates as younger employees, and the median 55-year-old member can expect his monthly retirement payouts to be boosted by close to 10% compared to under today's rates. Following the announcement in 2019, the first increase took effect from 1 January 2022. To mitigate the rise in business costs due to the increase of CPF contribution rates in 2022, the Government is providing employers with a one-year CPF Transition Offset equivalent to half of the increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ who is aged above 55 to 70.

(iii) The Government introduced Jobs Growth Incentive (JGI) to support employers to accelerate their hiring local workforce, so as to create good and long-term jobs for locals.

14. Finance costs

	2023	Restated
	US\$	2022
		US\$
Interest expense on lease liabilities (Note 18)	<u>11,893</u>	<u>18,675</u>

15. Loss before income tax expense

Other than as disclosed elsewhere in the financial statements, this is arrived at after charging the following :-

	2023	Restated
	US\$	2022
		US\$
Bad debts written off	104,492	-
Depreciation of property, plant and equipment	398,756	401,390
Allowance for expected credit loss on other receivables	<u>-</u>	<u>241,515</u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

16. Income tax expense

A numerical reconciliation between the accounting loss and tax expense is as follows :-

	2023	Restated
	US\$	2022
		US\$
Accounting loss	<u>(531,232)</u>	<u>(3,043,298)</u>
Tax at the applicable tax rate of 17%	(90,309)	(517,361)
Tax effect of :-		
- Income not subject to tax	(36,642)	-
- Expenses not deductible for tax purposes	175,850	105,184
- Tax deduction on contractual payment on right-of-use assets	(61,754)	(71,574)
- Other temporary differences	<u>67,789</u>	<u>68,236</u>
	54,934	(415,515)
(Utilisation of tax losses)/Unabsorbed tax losses carried forward	<u>(54,934)</u>	<u>415,515</u>
Current income tax expense	<u>-</u>	<u>-</u>

As at 31 December 2023, the company has estimated unabsorbed tax losses and unutilised capital allowances amounting to US\$3,633,100 (2022: US\$3,956,200) and US\$82,600 (2022: US\$51,500) respectively for which deferred tax benefits have not been recognised in the financial statements because it is uncertain that future taxable profit will be available against which the company can utilise the benefits. However, the unabsorbed tax losses and unutilised capital allowances are available for offsetting against future taxable income subject to there being no substantial change in shareholders as required by the provisions of the Singapore Income Tax Act 1947.

17. Related party transactions

(i) Related party transactions, on terms mutually agreed between the parties, are as follows:-

	2023	Restated
	US\$	2022
		US\$
Advances from immediate holding company	700,000	3,650,000
Advances to immediate holding company	<u>521,184</u>	<u>-</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2023****17. Related party transactions (continued)****(ii) Key management personnel compensation**

The key management personnel's remuneration include fees, salary, bonus, commission, contributions to defined contribution plans and other emoluments (including benefits-in-kind) computed based on the cost incurred by the company, and where the company did not incur any costs, the value of the benefit. The key management personnel's remuneration is as follows:-

	2023	Restated
	US\$	2022
		US\$
Salaries and bonuses	1,738,549	1,962,879
Employer's CPF contributions	6,173	5,917
Other benefits	201	220
	<u>1,744,923</u>	<u>1,969,016</u>

18. LeasesCompany as a lessee

The company has lease contracts for its office premise and motor vehicle. The company's obligations under these leases are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets. The lease contract includes extension options which are further discussed below.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Office	Motor	Total
	premise	Vehicle	US\$
	US\$	US\$	
At 1 January 2022	952,437	4,567	957,004
Addition	-	46,153	46,153
Depreciation	<u>(296,863)</u>	<u>(23,409)</u>	<u>(320,272)</u>
At 31 December 2022, as restated	655,574	27,311	682,885
Addition	-	23,046	23,046
Depreciation	<u>(296,863)</u>	<u>(23,436)</u>	<u>(320,299)</u>
At 31 December 2023	<u>358,711</u>	<u>26,921</u>	<u>385,632</u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

18. Leases (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 9.

(c) Amounts recognised in profit or loss

	2023	Restated
	US\$	2022
		US\$
Depreciation of right-of-use assets	320,299	320,272
Interest expense on lease liabilities (Note 14)	11,893	18,675
Lease expense not capitalised in lease liabilities:	<u> </u>	<u> </u>
Total amount recognised in profit or loss	<u><u>332,192</u></u>	<u><u>338,947</u></u>

(d) Total cash outflow

The company had total cash outflows for leases of US\$375,153 (2022: US\$341,134).

(e) Extension options

The company's lease contract includes extension options. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.2).

19. Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

19. Capital management (continued)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

	2023	Restated
	US\$	2022
		US\$
Net debt	6,512,980	6,048,438
Total equity	904,774	(4,993,994)
Total capital	<u>7,417,754</u>	<u>1,054,444</u>
Gearing ratio	<u>88%</u>	<u>574%</u>

The company is not subject to either internally or externally imposed capital requirements.

20. Financial risk management

The company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is the company's policy not to trade in derivatives for speculative purposes.

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

There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks.

20.1 Financial instruments by categories

	2023	Restated
	US\$	2022
		US\$
Financial assets		
<u>Amortised cost</u>		
Trade receivables	4,608,801	-
Other receivables	2,270,207	596,754
Cash and cash equivalents	<u>2,848,379</u>	<u>2,584,811</u>
	<u>9,727,387</u>	<u>3,181,565</u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

20. Financial risk management (continued)

20.1 Financial instruments by categories (continued)

	2023	Restated
	US\$	2022
		US\$
Financial liabilities		
<u>Amortised cost</u>		
Other payables	8,941,499	7,873,175
Lease liabilities	419,860	760,074
	<u>9,361,359</u>	<u>8,633,249</u>

20.2 Risk management

(i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the company. The company's exposure to credit risk arises primarily from other receivables and loan to the intermediate holding company. For other financial assets (including investment securities and cash), 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 210 days or there is significant difficulty of the counterparty.

20. **Financial risk management** (continued)

20.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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 considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

The company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 360 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

20. **Financial risk management** (continued)

20.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
1	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
2	Amount is > 180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
3	Amount is > 210 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
4	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

20. **Financial risk management** (continued)

20.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
2023						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	4,608,801	-	4,608,801
Other receivables	5	2	Lifetime ECL	2,296,181	(25,974)	2,270,207
2022						
Other receivables	5	1	12-month ECL	838,269	(241,515)	596,754

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.

	Not past due US\$	Days past due				Total US\$
		≤ 30 days US\$	31-60 days US\$	61-90 days US\$	>90days US\$	
2023						
ECL rate	Nil	Nil	Nil	Nil	Nil	
Gross carrying amount	-	-	4,608,801	-	-	-
ECL	-	-	-	-	-	-

20. **Financial risk management** (continued)

20.2 **Risk management** (continued)

(i) **Credit risk** (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

Exposure to credit risk

As at the end of the reporting period, the company has concentration of credit risk in the form of outstanding owing by a customer representing 100% of total receivables.

Other receivables

The company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in.

(ii) **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 bank borrowings. The directors are satisfied that funds are available to finance the operations of the company.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

20. **Financial risk management** (continued)

20.2 **Risk management** (continued)

(ii) **Liquidity risk** (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount 2023 US\$	Contractual cash flows payable		
		Total 2023 US\$	One year	One to
			or less	five years
			2023 US\$	2023 US\$
Financial liabilities				
Other payables	8,941,499	8,941,499	8,941,499	-
Lease liabilities	419,860	428,278	369,766	58,512
	<u>9,361,359</u>	<u>9,369,777</u>	<u>9,311,265</u>	<u>58,512</u>

	Carrying amount Restated 2022 US\$	Contractual cash flows payable		
		Total Restated 2022 US\$	One year	One to
			or less	five years
			Restated 2022 US\$	Restated 2022 US\$
Financial liabilities				
Other payables	7,873,175	7,873,175	7,873,175	-
Lease liabilities	760,074	766,609	364,765	401,844
	<u>8,633,249</u>	<u>8,639,784</u>	<u>8,237,940</u>	<u>401,844</u>

20. **Financial risk management** (continued)

20.2 **Risk management** (continued)

(iii) **Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company's exposure to interest rate risk arises primarily from cash and cash equivalents.

The company does not expect any significant effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Sensitivity analysis

Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on profit and loss or equity of the company is insignificant.

(b) **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 Euro.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

20. Financial risk management (continued)

20.2 Risk management (continued)

(iii) Market risk (continued)

(b) Foreign currency risk (continued)

Sensitivity analysis

The following demonstrates the sensitivity to a reasonably possible change in the Euro, Singapore Dollars, Philippine Peso and Australian Dollars against United States Dollars, with all other variables held constant, of the company's loss before tax.

	(Increase)/Decrease in loss before tax	
	2023	2022
	US\$	US\$
Euro		
-strengthened by 10%	688,159	-
-weakened by 10%	(688,159)	-
Singapore Dollar		
-strengthened by 10%	(43,729)	-
-weakened by 10%	43,729	-
Philippine Peso		
-strengthened by 10%	(20,925)	(22,918)
-weakened by 10%	20,925	22,918
Australian Dollars		
-strengthened by 10%	(13,029)	-
-weakened by 10%	13,029	-

20.3 Fair values

Assets and liabilities not measured at fair value

Trade receivables

The carrying amount of these receivables approximate their fair values as they are subject to normal trade credit terms.

Other receivables, other payables and cash and cash equivalents

The directors are of the view that the fair values of the other financial assets and liabilities as at the date of the statement of financial position approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2023

21. Comparative figures

The company had under recognised consultancy fees for the financial year ended 31 December 2022 amounting to US\$127,500. Accordingly, a prior year adjustment has now been effected to restate the financial statements to correct the errors.

Certain comparative figures have also been reclassified to conform with the current year's presentation.

	As previously reported US\$	Prior year Adjustment US\$	As restated US\$
<u>2022</u>			
Statement of financial position			
Current Liabilities			
Other payables	7,712,719	127,500	7,840,219
Equity			
Accumulated losses	<u>(4,866,494)</u>	<u>(127,500)</u>	<u>(4,993,994)</u>
Statement of comprehensive income			
Administrative expenses	(5,094,277)	(127,500)	(5,221,777)
Total comprehensive loss for the year	<u>(2,915,798)</u>	<u>(127,500)</u>	<u>(3,043,298)</u>
Statement of cash flows			
Loss before tax	(2,915,798)	(127,500)	(3,043,298)
Decrease in other payables	<u>(183,422)</u>	<u>127,500</u>	<u>(55,922)</u>

22. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the directors on 29 April 2024.

The annexed detailed income statement does not form part of the audited statutory financial statements. It is not necessary to file the detailed income statement with the Accounting and Corporate Regulatory Authority.

GMR Airports (Singapore) Pte. Ltd.

**Detailed Income Statement
for the year ended 31 December 2023**

	2023	Restated
	US\$	2022
		US\$
Revenue	4,444,517	2,099,066
Add:		
Other operating income		
Foreign exchange gain	257,164	98,088
Reversal of allowance for expected credit loss on other receivables	215,541	-
	<u>472,705</u>	<u>98,088</u>
	<u>4,917,222</u>	<u>2,197,154</u>
Less:		
Operating expenses		
Employee benefits expense	(3,335,980)	(3,531,280)
Administrative expenses	(2,100,581)	(1,690,497)
Finance costs	(11,893)	(18,675)
	<u>(5,448,454)</u>	<u>(5,240,452)</u>
Loss before income tax expense	<u>(531,232)</u>	<u>(3,043,298)</u>

GMR Airports (Singapore) Pte. Ltd.**Administrative and Operating Expenses
for the year ended 31 December 2023**

	2023	Restated
	US\$	2022
		US\$
Employee benefits expense		
CPF contributions	41,126	21,068
Directors' remuneration	1,738,549	1,962,879
Directors' CPF contributions	6,173	5,917
Directors' Skills development levy	201	220
Medical expenses	39	168
Skills development levy	976	829
Staff salaries and bonuses	1,349,813	1,374,183
Staff welfare	199,103	166,016
	<u>3,335,980</u>	<u>3,531,280</u>
Administrative expenses		
Allowance for expected credit loss on other receivables	-	241,515
Audit fee	7,168	5,672
Bad debts written off	104,492	-
Bank charges	4,134	4,868
Business promotion	24,568	12,427
Communication charges	29,498	28,192
Consultancy fees	906,256	368,184
Courier charges	1,027	923
Cost of outsourced service	-	192,528
Depreciation of property, plant and equipment	398,756	401,390
Electricity	6,222	7,077
General expenses	36,416	17,539
GST	30,012	23,839
Insurance	612	556
License and subscription fee	3,286	-
Repairs and maintenance	57,593	33,911
Membership fee	335	606
Office pooja expenses	-	3,218
Printing and stationery	4,632	2,035
Processing fee	7,500	-
Rental	18,330	126,134
Training	-	626
Travelling	459,744	219,257
	<u>2,100,581</u>	<u>1,690,497</u>
Finance costs		
Interest on lease liabilities	<u>11,893</u>	<u>18,675</u>
Total expenses	<u>5,448,454</u>	<u>5,240,452</u>