

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.
(Co. Reg. No. 201915518H)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022**

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SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The directors are pleased to present this report to the member together with the unaudited financial statements of the Company for the financial year ended 31 December 2022.

1. **OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (i) 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 2022 and the financial performance and cash flows of the company for the financial year then ended and
- (ii) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

2. **DIRECTOR**

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

CHU YANWEN
WANG QIANG

3. **ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES OR DEBENTURES**

Neither at the end of the financial year nor at any time during the financial period was the company a party to any arrangement whose object is to enable the director of the company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

4. **DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

The director of the company holding office at the end of the financial period had no interests in the share capital and debentures of the company and related corporations as recorded in the Register of Directors' Shareholdings kept by the company under Section 164 of the Singapore Companies Act.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

5. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

6. OPTIONS GRANTED

During the financial year, there were no options granted to any person to take up unissued shares in the company.

7. OPTIONS EXERCISED

During the financial year, there were no shares of the company issued by virtue of any exercise of option to take up unissued shares.

8. OPTIONS OUTSTANDING

At the end of the financial year, there were no unissued shares of the company under option.

On Behalf of the Directors,

CHU YANWEN
Director

WANG QIANG
Director

Singapore

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	2022.12.31 USD	2022.2.28 USD
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income		-	-
Administrative expenses		(3,173)	(2,789)
Finance expenses		-	-
Loss from operating activities before income tax		(3,173)	(2,789)
Income tax	3	-	-
Loss for the financial year		(3,173)	(2,789)
Other comprehensive income for the financial year		-	-
Total comprehensive income for the financial year		(3,173)	(2,789)

No separate statement of changes in equity has been prepared as the results for the year would have been the only component of this statement.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

ASSETS	Note	2022.12.31 USD	2022.2.28 USD
Non-current assets			
Investment in subsidiaries	4	300,000	300,000
Total non-current assets		300,000	300,000
Current assets			
Other receivables	5	-	-
Cash and cash equivalents	6	190,081	193,254
Total current assets		190,081	193,254
TOTAL ASSETS		<u>490,081</u>	<u>493,254</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	2	2
Revenue reserve		(10,319)	(7,146)
Total equity		(10,317)	(7,144)
Current liabilities			
Other payables	8	500,398	500,398
Provision for taxation		-	-
Total current liabilities		500,398	500,398
TOTAL LIABILITIES		500,398	500,398
TOTAL EQUITY AND LIABILITIES		<u>490,081</u>	<u>493,254</u>

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

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	2022.12.31	2022.2.28
	USD	USD
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before income tax	(3,173)	(2,789)
Adjustments for:		
Interest income	-	-
Operating loss before working capital changes	<u>(3,173)</u>	<u>(2,789)</u>
Trade and other receivables	-	-
Trade and other payables	-	-
Cash used in operations	<u>(3,173)</u>	<u>(2,789)</u>
Tax paid	-	-
Net cash used in operating activities	<u>(3,173)</u>	<u>(2,789)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of new share	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(3,173)	(2,789)
Cash and cash equivalents at beginning of year	<u>193,254</u>	<u>196,043</u>
Cash and cash equivalents at end of year (Note 6)	<u><u>190,081</u></u>	<u><u>193,254</u></u>

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

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

1. CORPORATE INFORMATION

The company is incorporated and domiciled in the Republic of Singapore. Its principal activity is relating to freight transport arrangement.

Its registered office is located at 2 Venture Drive, #11-31 Vision Exchange, Singapore 608526.

The financial statements of the company for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the director on the date of the Directors' Statement.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provision of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the company has adopted the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

The Company has not applied any new FRSs or INT FRS (Interpretations of Financial Reporting Standards) that has been issued as at the end of the reporting date but is not yet effective. The directors anticipate that the adoption of these FRSs and INT FRSs in future periods will have no material impact on the financial statements of the Company.

Financial assets

The Company classifies its financial assets in the following categories: loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial assets (Continued)**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the financial reporting date which are presented as non-current assets.

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount in the fair value reserve relating to that asset transferred to profit or loss.

Loans and receivables are initially recognized at fair value plus transaction cost, and subsequently carried amortized cost using the effective interest method.

The Company assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost, had no impairment been recognized in prior periods.

Impairment of non-financial assets

At the end of each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities. Equity instruments are recorded at the proceeds received, net to direct issue cost.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method except for short-term balances when the recognition of interest would be immaterial.

IMPAIRMENT OF ASSETS – Assets of the company are subject to impairment requirements as stated below.

Trade and other receivables

The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount is reduced through the use of an allowance amount. If the receivable is uncollectible, it is written off against the allowance amount. Subsequent recoveries of amount previously written off are credited to income statement.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Plant and equipment

At each balance sheet date, the company reviews the carrying amounts of these assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

OPERATING LEASES – Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of lease.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

INCOME TAX – Income tax for the financial year comprises current and deferred tax and is recognised in the income statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

CASH AND CASH EQUIVALENTS - Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. INCOME TAX

	2022.12.31	2022.2.28
	USD	USD
Current income tax	-	-
Deferred tax	-	-
Under provision of tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

3. INCOME TAX (CONTINUED)

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate is as follows:

	2022.12.31	2022.2.28
	USD	USD
Loss for the financial year	<u>(3,173)</u>	<u>(2,789)</u>
Tax at the statutory rate of 17%	(539)	(474)
Expenses not deductible for tax purposes	539	474
Partial tax exemption	<u>-</u>	<u>-</u>
Tax charge	<u>-</u>	<u>-</u>

4. INVESTMENT IN SUBSIDIARIES

	2022.12.31	2022.2.28
	USD	USD
Unquoted equity shares, at cost	<u>300,000</u>	<u>300,000</u>

The details of the subsidiaries are as follows:

Name of company (Country of incorporation and <u>principal place of business</u>)	Principal <u>activities</u>	Proportion of ownership interest held by the company	
		2022.12.31	2022.2.28
		%	%
Allcargo logistics China Ltd. (China)	International freight forwarding agent	100	100

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

5. OTHER RECEIVABLES

	2022.12.31	2022.2.28
	USD	USD
Amounts due from shareholder	<u>-</u>	<u>-</u>

Amounts due from shareholder are non-trade related, unsecured, interest-free and repayable on demand.

6. CASH AND CASH EQUIVALENTS

	2022.12.31	2022.2.28
	USD	USD
Cash and bank balances	<u>190,081</u>	<u>193,254</u>

Cash and cash equivalents are denominated in United States Dollars.

7. SHARE CAPITAL

	<u>No. of share</u>		<u>Amount</u>	
	2022.12.31	2022.2.28	2022.12.31	2022.2.28
			USD	USD
<u>Issued ordinary shares</u>				
Beginning of the year	8,625	8,625	6,327	6,327
Addition	-	-	-	-
End of the year	<u>8,625</u>	<u>8,625</u>	<u>6,327</u>	<u>6,327</u>
<u>Issued preference shares</u>				
Beginning of the year	1,375	1,375	1,009	1,009
Addition	-	-	-	-
End of the year	<u>1,375</u>	<u>1,375</u>	<u>1,009</u>	<u>1,009</u>
Total	<u>10,000</u>	<u>10,000</u>	<u>7,336</u>	<u>7,336</u>

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022****7. SHARE CAPITAL (CONTINUED)**

<u>Paid up ordinary shares</u>				
Beginning of the year	2	2	1	1
Addition	-	-	-	-
End of the year	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
<u>Paid up preference shares</u>				
Beginning of the year	1	1	1	1
Addition	-	-	-	-
End of the year	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>

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

8. OTHER PAYABLES

These are amounts due to shareholder which are non-trade related, unsecured, interest-free and repayable on demand.

9. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks and the overall risk management is determined and carried out by the management of the company.

Foreign currency risk

The Company is not exposed to significant foreign currency risk.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant interest-bearing assets or liabilities other than bank balances.

SPECHEM SUPPLY CHAIN MANAGEMENT (ASIA) PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's maximum exposure to credit risk is represented by the carrying amounts of loans and receivables. Cash and bank balances are placed in financial institutions with good credit ratings.

Liquidity risk

In the management of liquidity risk, the Company monitors its net operating cash flow, maintains sufficient cash and credit facilities for its liquidity and cash flow requirements.

Fair values

The carrying amounts of current loans and receivables and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.